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The National Underwriter

LIFE INSURANCE EDITION

THURSDAY, SEPTEMBER 27, 1934

Welcome

The aims and purposes of the National Association of Life Underwriters, as written into its records and into the practices of its members, find a ready response in the government of The Northwestern Mutual Life Insurance Company, which for more than seventy-five years has continuously and consistently striven for, and encouraged, principles and practices which have made it a great company, and one of the best exponents of Life Insurance in the United States.

It was by and through the instrumentality of high ideals, faithfully observed and practiced, that both the Association and the Company have attained to their respective enviable positions in the public favor.

For The Northwestern Mutual Life Insurance Company, of Milwaukee, therefore, on the occasion of the 45th Annual Convention of the National Association of Life Underwriters and the 5th International—designed primarily for the consideration of serious problems and incidentally for fraternal fellowship—I extend a most cordial welcome to this city of habitual hospitality, in the hope and with the expectation that Milwaukee will give to the Convention a program of excellence in every respect.

Life Insurance stands at the head of the business professions. Its Agents, who are its chief exponents, are entitled to the greatest consideration. . . . Milwaukee will see to it that they get it. . . . That is its object—and its job.

W. J. Henry
President

Over 18,000 Days Service and Experience!



A Record of Progress in 1934

- MARCH 8th:** Home Office Agency wrote the largest volume of new Franklin business ever produced in one day in Company's home city, Springfield, Illinois, up to that date.
- MAY 25th:** New state-wide record for one day's Franklin business in Illinois.
- MAY 31st:** All-time, all-territory record of \$1,400,000.00 of new Franklin business produced in one day.
- JULY 1st:** Franklin Life percentage increase in paid business for first half of 1934 over same period of 1933 was among the largest shown by any life company.
- AUG. 30th:** Home Office Agency broke its record of March 8th.
- All territories combined made August 30, 1934, the biggest August day in Franklin experience and the second biggest day in Company history.
- SEPT. 1st:** Paid business for August, 1934, exceeded paid business for August, 1933, by more than 98 per cent.

**The Franklin
Life Insurance Company**
Springfield, Illinois

*Address Agency Inquiries to Rollin Young,
Vice President in Charge of Agencies*

Courage!!

We look at things
differently in America.

Although we are only
6% of the world population,
we own 70% of
the world life insurance.

It has always been an old
American custom for the
individual to assume the
obligation of caring for
his own.

Through life insurance
sixty-five millions of our
people are shareholders
in America's wealth,
present and future.

**CONTINENTAL
Assurance Company**

910 South Michigan Avenue, Chicago, Illinois

The National Underwriter

LIFE INSURANCE EDITION

Abbreviated Program Inspirational

Changes Made in American College

President E. J. Clark Named to Newly Created Position of Chairman

HUEBNER NOW PRESIDENT

Dr. David McCahan Becomes the Dean
—John A. Stevenson Is Elected Secretary

Convention Headquarters,
Milwaukee, Sept. 27.

Important changes in the official ranks of the American College of Life Underwriters were announced during that portion of the Thursday morning session which was devoted to the C. L. U. and the American College. The announcement was made by Ernest J. Clark of Baltimore, general agent of the John Hancock in Baltimore, after he had concluded the ceremony of conferring the C. L. U. diplomas upon the 1934 graduates.

Mr. Clark, who has served the American College as president for seven and a half years, becomes chairman of the board, a newly created position. Succeeding him as president is Dr. S. S. Huebner, who has heretofore been the dean of the college. Dr. David McCahan, associate professor of insurance at the Wharton School of Finance, University of Pennsylvania, who has been assistant dean, now becomes dean.

W. M. Duff, president of the Edward A. Woods Company of Pittsburgh, was reelected vice-president, while John A. Stevenson, home office general agent for the Penn Mutual, was elected secretary, and F. W. Ganse of Boston was reelected treasurer.

The following directors were reelected: J. Stanley Edwards, Aetna Life, Denver; John Marshall Holcombe, Jr., manager Sales Research Bureau; Julian S. Myrick, Mutual Life, New York; Charles L. Scott, Massachusetts Mutual, Kansas City; John A. Stevenson, Penn Mutual Life.

Two new directors were also added to the board, they being: George E. Lackey, Massachusetts Mutual, Detroit; David McCahan.

Grant L. Hill, director of agencies of the Northwestern Mutual Life, Mr. Holcombe, Mr. Myrick, and Arthur M. Spalding, director of agents' training, Equitable Life of New York, were elected from the board to constitute, with the officers, its executive committee.

The C. L. U. and American College ceremonies started with the exercises of conferment of diplomas upon C. L. U. graduates performed more or less jointly by Dr. Huebner and Mr. Clark, and concluding with an address by Grant

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Many Constructive Plans at Millionaires' Session

Methods "Off Beaten Path" to Help Increase Production Are Presented

The session of the Million Dollar Round Table this year, while not as large in point of attendance as at some previous meetings, was declared by many of those present to have been productive of probably the most constructive material that has ever been presented.

Where last year the discussion centered very largely on annuities, there were only two cases mentioned this year that involved such sales and the central idea at this session was apparently the presentation of plans out of the beaten path by which production can be materially increased. Caleb R. Smith, Ann Arbor, Mich., who was chosen chairman for next year, told of the remarkable results he has achieved in building up the insurance carried by old policyholders, starting in many cases with very small amounts.

F. Jean Little of Detroit developed new possibilities in the use of the family income plan, which enabled him to write \$800,000 on that plan in a year and a half, and Earl G. Manning of Boston told of the new income plan to be used by the John Hancock Mutual Life through its industrial agencies. Wallace H. King, Mutual Benefit Life, Lima, O., who wrote the largest amount last year of any of the qualifiers reporting their production, \$2,316,000, described a plan for covering the key men in the relatively smaller industries, with the corporation paying half the premium, which he has used with especial success.

Chairman Scott Proves Able Presiding Officer

Thomas M. Scott, Penn Mutual, Philadelphia, this year's chairman, was an especially able presiding officer. He was very felicitous in his introduction of speakers and kept things moving so that, although the session took up little more than half the time it has in some previous years, an unusual amount of meaty material was packed into it.

Mr. Smith, who will preside next year, has also demonstrated his ability to handle the reins most capably. His associates on the executive committee for the coming year will be Dr. C. E. Albright, Milwaukee, perennial leading producer of the Northwestern Mutual Life, who served in that capacity this year, and Harry T. Wright, Equitable Life of New York, Chicago.

An encouraging feature was found in the fact that eighteen men qualified for the round table this year for the first time. Only six of them, however, were able to be present. They were Stanley E. Martin, John Hancock Mutual, Columbus, O.; Louis Behr, Equitable Life of New York, Chicago; M. R. Pasquera, Bankers National Life, Puerto Rico; Dana C. Clarke, New York City; John

New Chairman



CALEB R. SMITH
Massachusetts Mutual, Ann Arbor, Mich.

D. Hibbard, Mutual Benefit Life, Grand Rapids, Mich., and A. M. Sheldon, Minneapolis. All were introduced and most of them took an active part in the sessions, presenting some very constructive ideas. Mr. Behr's description of his prospecting system was one of the highlights of the meeting. In this presentation he used a large reproduction of the work sheet that he described. In fact, the comment was made that it is the new men, who have come into life insurance in recent years, who have the best plans for meeting present day conditions.

A telegram was received from R. A. Brown of Los Angeles, 1932 chairman, regretting his inability to be present and stating that it was the first meeting he had missed since 1928.

Women Leaders Are Introduced at Session

Toward the close of the session, Miss Sophia W. Bliven, Penn Mutual, Philadelphia, who was in charge of the women's round table, and Miss Corinne Loomis, John Hancock, Boston, who was the principal speaker at that session, were introduced and spoke briefly.

At the suggestion of Earl Manning, it was voted to present inscribed gavels, such as have been given to all the retiring chairmen in recent years, to Paul F. Clark of Boston and W. M. Duff of Pittsburgh, who served as chairman before the presentation idea was introduced.

Some of the especially valuable contributions made at the "millionaires" sessions were:

Wallace H. King: In my town I
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Wealth of Ideas in Short Meeting

Milwaukee Hosts Entertain Conventioneers at Garden Party in Afternoon

T. M. RIEHLE PRESIDES

Several Headliners From Within and Outside the Business Heard During the Morning

Convention Headquarters,
Milwaukee, Sept. 27.

Much material of an inspirational and practical nature was packed into the Thursday morning session at the convention of the National Association of Life Underwriters. After adjournment shortly after noon, most of the conventioneers forgot business and abandoned themselves to the highly appropriate entertainment, which the convention hosts provided in the form of a Bavarian garden party on the lawn of the Wisconsin club. This was a great novelty and set a high water market in National association entertainment.

T. M. Riehle of New York presided at the Thursday morning session in his capacity as vice president of the National association.

Two speakers today were from outside the insurance business, they being John L. Wood of the National Cash Register Company and W. A. Stark, Cincinnati banker.

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May Change Minds and Meet at Boston in 1935

Despite the vote of the executive committee in favor of holding the 1935 annual convention in Des Moines, there is considerable discussion heard of the possibility of the trustees overturning that decision and voting for Boston. The trustees have the final say in the matter.

The convention has not been held east of the Alleghenies since 1926 and a number of the trustees are believed to feel that the rejection of the Boston invitation was not altogether just to that section. If the Des Moines selection should be overturned it would be revolutionary and the natural conservative attitude of the association makes that eventuality uncertain.

Another possibility that is being discussed is the withdrawal of one of the nominees for trustee selected by the national council, so as to permit the election of A. E. Patterson. Under the by-laws the president must have been a trustee. Therefore if Mr. Patterson is to be in the race for the presidency next year, he must be a trustee.

Possibilities Under Life Income Form Are Shown

An unusual demonstration of what can be done in the use of the life income form was given at the Million Dollar Round Table by F. Jean Little of the Massachusetts Mutual, who is president of the Qualified Life Underwriters of Detroit, the local association in that city. He qualified for the 1928 round table and also in 1930. He came back again this year by paying for \$1,500,000 for the 12 months ending May 1, 1934.

By F. JEAN LITTLE

It has been told I failed to qualify for the Million Dollar Round Table for several years. That is true. During that time when I was not writing the business, I found we were in somewhat of a depression in Detroit. I found it a little bit difficult to get business. It has seemed to me within the last year or year and a half conditions have been a little bit better, and that has been more or less of an incentive to me to try to look around a little bit and figure out as best I could what the situation was regarding the possibilities of writing life insurance.

In doing so, it seemed that the need for family insurance, insuring family protection, was particularly keen. I know many people who have not been able to continue with the insurance programs they had formerly set up. Many programs were set up through our local trust companies there and have fallen by the wayside or else have been seriously crippled by the depression.

In seeking to work out a plan which seemed applicable and practical I developed a great deal of enthusiasm for this family income insurance. I know all of your companies do not write family income insurance, but whether you do or not, you have some plan which is similar which you can use.

Love of Family Reason for Inadequate Insurance

It seems to me one reason why many men are not adequately insured is because of their very great pride and love for their wives and children. That may seem a silly thing, but it seems to me they are so anxious to do all that they can do for their children and that they have such a limited amount of money now with which to do it, and they do not think they are going to die, that they do the things with the thought they will live. In other words, they gamble on living instead of gambling on dying. I believe if a man did not think so much of his family, maybe there would be a greater opportunity at least for him to carry more life insurance, because he would have more money with which to buy the life insurance.

So I have recently consulted the American Experience table of mortality and also the other tables, to try to figure out just what possibility there is of a man dying while he is bringing up a family. In talking to people I have talked to them about the possibilities of their death as against the possibilities of their living and about the things they wanted to do for their families and I found that it sounded a keynote to them which has developed favorable interest and resulted in getting the business.

What Mortality Tables Show on Ages of Death

For your information, between the ages of 25 and 50, 86 percent of all men live and 14 percent die; between ages 30 and 50, 88 percent of all men live and 12 percent die; between ages 35 and 50, 90 percent of all men live and 10 percent die. Those figures are taken from the American Men table of mortality. The American Experience will show a little higher percentage.

So, believing that the men are giving

their children all the educational and cultural advantages possible, I have been going in and talking to them about the possibility of their living. I find they are interested in living much more than they are in dying.

Then I begin to unfold to them this family income story and let them see there is a way by which they can provide a minimum income for their family if they should be among that unfortunate percentage which do not live to see their children raised.

Investment in Children Best Man Can Make

There is one thing that I think of quite frequently and that is the remark that Henry Ford made some time ago when he said, "The best investment a man can make is in himself—self-improvement." I think of that in connection with bringing up children. It is perhaps one of the best investments a man can make when he invests in his children, recognizing the fact they are only children once and each year as they go on they are getting farther away from the parents' care. They are climbing out of the nest, as it were; they are getting to the place where they are going to be self-supporting and independent and the influence of the father and mother will not mean so much to them.

To get to this family income talk, this is the thought that is really writing business for me. In thinking of setting up insurance for the purpose of providing an income, we recognize, of course, that there are several methods which may be employed. We have our optional modes of settlement where we can distribute the proceeds of the policy over a limited period of years and have it exhausted, and our annuity mode of

(CONTINUED ON LAST PAGE)

Career of Vice-President Schriver Is Presented



LESTER O. SCHRIVER

Lester O. Schriver, the new vice-president of the National Association of Life Underwriters, who seems destined to be elevated to the presidency next year, attended Syracuse University. Until 1923 he served as secretary of the Y. M. C. A. at Middletown, Conn. In that year he found his calling when he started personal production for the Aetna Life. Two years later he was taken into the home office of his company in charge of the educational department, being occupied with correspondence training courses, setting up field schools, etc. In 1926 he was named assistant superintendent of agencies and later was made superintendent of agencies. In 1929 he was assigned to Peoria as general agent, the position he now occupies.

(CONTINUED ON PAGE 19)

Large Producer Tells of Method

Call on Dix Teachenor of Kansas City, Who Paid for \$534,000 in 24 Days

SELLS 435 POLICIES IN 1933

Avoids Spectacular Sales Technique But Gets Interest by Planting Bomb Under Prospect

An interesting discussion of how a big producer goes about his business is presented below, as heard at the Million Dollar Round Table.

CHAIRMAN SCOTT, in introducing Dix Teachenor, Kansas City Life, Kansas City, Mo.: Last year he qualified for the Round Table with \$1,800,000 of business, with 435 policies, showing that he had numbers and saw people, and they asked him how and why he got so much business. He said, "I always qualify for the Million Dollar Round Table," and I might mention, parenthetically, that he has always qualified for the Million Dollar Round Table, for years back. He found in December that he wasn't going so good, so he went out to get some business to qualify, and it appears that in the 24 working days of December, 1933, he paid for \$534,000, with some 311 applications, so he does know how to qualify. He has had some \$15,000,000 of insurance placed in the last 16 years that he has been with the Kansas City Life, in addition, of course, to the business he has placed outside.

MR. TEACHENOR: My method of operation has been very simple. I do nothing spectacular, I just sell life insurance, that's all. But I do firmly believe and know that when I go in to see a man he is in a state of coma so far as life insurance is concerned, and it is up to me to put a bomb under him right away—something that will get his interest and start conversation. A compliment that has been paid me by quite a few of my policyholders has been this: "You can find more ways to start a conversation than any man I ever saw." That was especially commented on by one man I have written 17 policies for in the last two and one-half years, so I have had to have a lot of ways to start conversations.

Last year I used a very childish approach in a lot of cases. I merely walked into a man's office and said, "Do you carry fire insurance on your house or automobile? You do, don't you?"

"Yes."

"How would you like to have a new kind of fire insurance policy? If you pay the premium to age 65 and have had no loss the company will give you a check for all your premiums."

Invariably they would ask, "Say that again."

Well, it is nothing in the world but an endowment at age 65, or 20-pay. All I needed was his interest; that secured the rest of the conversation I took care of.

Approach Used on Deferred Annuities, Income Endowments

I use an approach on deferred annuities or income endowments something like this: I walk in and ask a man, "How would you like to make \$4,500 within the next 15 or 20 years without taking any chances whatever?" Well, he is interested. That is the profit on a deferred annuity in our company from

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Women Leaders at Milwaukee



This is a group of women active in the convention: Front row left to right—Mrs. Flora R. Dingwall of Milwaukee with New York Life, chairman of woman's entertainment committee; Miss Sophia W. Bliven of Philadelphia, chairman of the women's committee for the National Association of Life Underwriters; Miss Frieda Archer, special agent Connecticut Mutual in Seattle, a delegate of the Seattle Life Underwriters; back row left to right—Mrs. Marie B. Parker of Denver, with Equitable Life of New York; Miss Jewell J. Preston, Cincinnati, John Hancock Mutual; Miss B. B. Macfarlane, New Orleans, Pan-American Life.

Millionaires Tell How in Round Table

Service, Selling Go Hand in Hand

Caleb Smith Explains His Creative Work Among Old Policyholders

TALKS TO MILLIONAIRES

He Trains His Assured to Look Forward to Day When Program Will Be Completed

One of the outstanding features of the Million Dollar Round Table session Wednesday morning was the presentation given by Caleb R. Smith of Ann Arbor, Mich., district agent for the Massachusetts Mutual, who was later elected chairman of the round table for the ensuing year. Mr. Smith has been making valuable contribution to the round table discussion for a number of years and his suggestions this year were particularly forceful. He described the results he has obtained by servicing old policyholders.

My subject is, "Results Obtained From Servicing Old Policyholders." No doubt many of you have had the same experience that I have had. I meet my competitors at the association meetings, at the golf links, the clubs, on the street and elsewhere, and it is perfectly natural for me to ask, "How's business, Charlie?" And the answer has been for the last three or four years, "Business is rotten. I am not getting the production I used to get." They use as the alibi that they have to spend so much time servicing policyholders.

It is natural for them to come back and say, "Well, Caleb, how's business with you?" and inasmuch as business with me is always good, I answer them so, and invariably they will say, "Well, how is it, under such trying times and conditions as we have had? Where do you find business?"

I answer by saying, "By servicing old policyholders."

Wrote Policies Several Years, Then Sold Programs

So that you may have a clear conception of how I have accomplished this, I want to take you back to the beginning of this service and show you the foundation upon which it is built. I started writing for the Massachusetts Mutual in 1913. I worked on a hit and miss plan; sometimes I would hit and sometimes I would miss. However, during the period from 1913-1919, inclusive, I managed to write, per year, from \$150,000 to \$200,000, to \$300,000, to \$400,000, to \$500,000, and then \$580,000. But, mind you, during this period I was writing policies. One year I had more than 200 cases.

Then, in the latter part of 1919, I conceived the idea that it would be better to write programs instead of writing policies, so I started in to write insurance on a life program basis. I arranged my client's policies to fit his needs, thus finding him more receptive to my suggestions.

The sale was made on presenting \$25,000 or more, but never less than \$25,000. And if the applicant needed only \$5,000 to fill his needs, that amount was placed, but if a larger amount was required, that amount was also placed. By presenting the larger amount, especially to the younger men, it holds up

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Broad Outline of 5-Year Development Program

A comprehensive five-year program of development, culminating five years hence in the fiftieth anniversary convention of the National association, was recommended by the fiftieth anniversary committee at its luncheon session Wednesday. O. Sam Cummings of Dallas is chairman.

The committee recommends that one of the objectives be an increase in membership to a total of 25,000 within five years. Another goal is to increase the number of local associations so that there will be such an organization in every city of 25,000 or more. Then efforts will be put forth to cause the formation of state associations in every state, within the boundaries of which there are three or more local associations.

Another broad field of endeavor in the five-year plan is education. So far as education of the agent is concerned the recommendation is that programs of education be carried on through study courses in local associations, and that there be continued cooperation with the American College of Life Underwriters in promoting the C. L. U. movement.

As to education of the public the program contemplates widespread appearance of life insurance speakers before organizations of all kinds, and essay contests.

Another objective is to increase the standards of business conduct through better selection of agents, elimination of the unfit and inefficient and increasing the standards in general.

President Lindsley Attending

H. K. Lindsley, president of the Farmers & Bankers Life of Wichita, arrived in Milwaukee Tuesday evening in company with Col. C. B. Robbins, manager of the American Life Convention. Mr. Lindsley will probably be the next president of the American Life Convention.

Three From Great Northern

The Great Northern Life of Chicago was represented by President H. G. Royer, Vice-President J. A. Sullivan, and Secretary C. O. Pauley.

Two Big Policy Sales Told at Round Table Gathering

That big premium policies are not entirely extinct, although they are, of course rare enough to command especial attention these days, was demonstrated by two striking experiences related at the Million Dollar Round Table.

Paul F. Clark, John Hancock, Boston: To go out and write a lot more lives than he has written before or else to find a method of writing large lives, is very difficult now. There is no one in this room who will not agree that the large lives are almost impossible to write and to get through, therefore we have to find a method of doing it. The only method I know of is whereby we can show a man that by buying a program which we have to offer he can take advantage of what we call his deductions, exclusions, and exemptions. He can take the benefit of those three things in helping his income and inheritance tax situation.

I closed a case last month, which required a premium of \$183,000 on what we call the S. P. A. plan, a combination of single-premium life and annuity. A woman I have known a long time came to me four or five months ago and said, "You know, I am paying out a terrific amount of premiums on some life insurance that some fellow sold me three years ago, and I think I am going to cancel it and buy an annuity."

This woman was the beneficiary of some \$8,000,000 or \$10,000,000 when her husband died in 1928. I said, "Why are you going to cancel it?" "Simply because these taxes and everything else are so bad anyway that this \$250,000 won't make any difference."

I said, "Why should you feel that way? Because I tell you perfectly frankly and honestly that under no circumstances should you drop that insurance."

She said, "I want an annuity. I like the idea; I have none, and I think I will cash the insurance in and take the value."

I said, "Let me have a picture of your

situation," which she very kindly gave me—all of her policies, the names and ages of her children, and so on, and I went back with this proposition. Before I sold her, I had to sell her brother-in-law, the brother of the deceased husband, whom we are in the process of selling now, because he finally bought the plan; we had to go to the counsel for the executors and trustees of the estate, which is still one of some \$7,000,000 or \$8,000,000. We had to go to one of the most conservative trust companies in Boston and had to go to the chairman of the board and the president and two trust officers there. We had to go to a tax expert to pass on our plan, and we got by all of them, and were finally able to get this trust company to put up the \$183,000 in premiums which I received from her last month.

The plan is this: She was paying approximately \$10,000 in premiums on this \$250,000 of life insurance. She didn't like to pay the premiums, and you are finding a lot of people these days who are not keen about paying large life insurance premiums. We said to her, "Wouldn't you like to pay those premiums if you found you could do it a great deal more economically?"

Using Annuity Income To Pay Other Fixed Charges

I happened to be able to picture approximately what her top bracket of income tax rate is—59 percent plus 6 percent in Massachusetts, which makes it 65 per cent, we will say. I figured it up, and this is one of the points I want you to get, because we have absolutely failed, I think, to take advantage of the use of an annuity income to pay other fixed charges which have to be paid out of income after income taxes have been paid.

I will illustrate that in this case: I figured that it took the income on \$350,000 to \$400,000 worth of her bonds to pay the premiums on \$250,000 of life insurance. I made that statement to her and she agreed with it, and her tax man did, so I guess that was true. After she paid the terrific taxes to the federal government and the commonwealth of Massachusetts, it took about \$350,000 or \$400,000 of securities to provide enough income to pay the premiums of \$8,000 to \$10,000, and that was another reason she told me she ought to drop it.

I said, "Suppose you could do that for half that amount. Wouldn't you continue your insurance?"

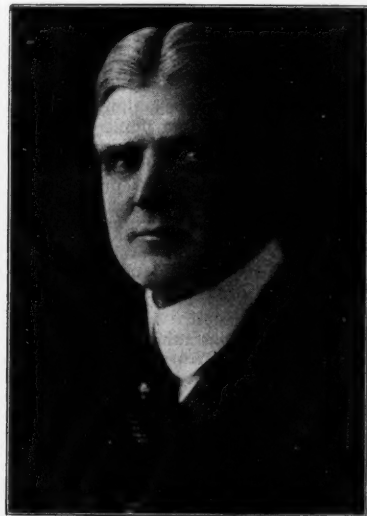
She said, "I don't know how, unless I invest it in some highly speculative thing."

I said, "No, you have to invest it in something I have to sell," so we laid this single-premium life part of this S. P. A. combinations because she has four children, and to each one of them gave an income which would pay the premium on \$50,000 of life insurance, which is to be payable to each one of these four children. She has \$250,000 of insurance at the present time, which she bought three years ago, and \$50,000 of that she wants to give to an adopted nephew, on which she is reserving the right to change the beneficiary, and she is going to divest herself of the other \$50,000 contract.

She is going to pay the gift tax immediately on the actual values under those contracts. She is going to make a gift; she is going to divest herself of it, and she, of course, has this great ad-

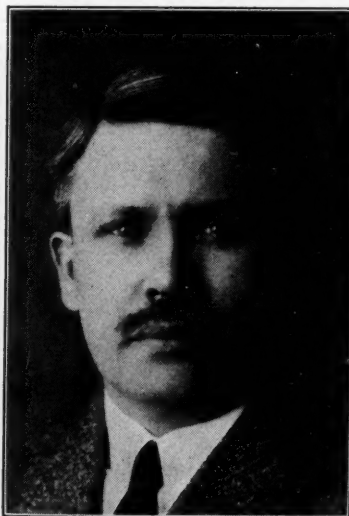
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New American College Lineup



E. V. CLARK

In the new set-up of the American College of Life Underwriters, E. V. Clark, who has been president, becomes



DR. S. S. HUEBNER

chairman of the board and Dr. S. S. Huebner, formerly the dean, becomes president.

Sales Clinic Is Interesting Feature

Gives Advice on How to Plan Sale

Important to Think Case Through,
Feel Pressure of Prospect's
Need

A. J. JOHANNSSEN'S HINTS

Northwestern Mutual Man Uses Se-
quence of Ideas Rather Than
Memorized Sales Talk

By A. J. JOHANNSSEN
Northwestern Mutual, Chicago

The subject assigned was "How I Plan the Sale." Perhaps a better title would be "Why and How I Plan the Sale," because I think the reasons are really more important than intricate details of what I do, or think I do.

My remarks have only to do with the plans made preparatory to the closing interview. The preliminary interview has been obtained, substantial facts about your man are known and one is ready to return to sell a definite piece of business.

The first step is to convince myself that my man needs the policy and can and will buy it. If I convince myself thoroughly it will be difficult for him to throw me off the track. My own sincere convictions will probably carry me through if my technique be good or bad.

I try to guess from all I know about the man that one, single contract he will buy. It's easier for him to decide on one issue, it's simpler, it requires less thinking. The guess as to which one single contract he will buy may not be an easy thing to do. I have guessed wrong so many times I can speak of it with feeling.

Most people I know will never buy all the insurance I think they need, so in trying to decide on the policy I must restrain that desire to sell him a whole program. After all, he will buy what he really wants. If I can touch the right chord he will buy more and keep it longer. If I have prospected well the cue will be uncovered. I review my record card carefully, because it helps me size up my man, his problems and how he has attempted to solve these problems in the past.

Sizing Up the Man, His Problems and Treatment

After I have reached the decision as to the size and type of contract I plan to sell, I try to gauge my call for the most opportune circumstances. It may be morning, noon, afternoon, or after hours. It may be at his office, his home, at luncheon, or in my office. Naturally, I am pleased if it falls between 9 a. m. and 5 p. m. In any event I try to present my talk under the most favorable circumstances even if it means a week or two of delay. I plan for a 20 or 30 minute interview. I don't believe I have ever closed a planned case on that so-called one extra call a day.

Before I make the call I try to attach an air of importance to the interview. Sometimes it is by a letter, sometimes a 'phone call for an appointment, sometimes by arrangement at the previous interview. By my pre-approach I try to convince my man that the interview is important to both of us. If

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Some Tips by Millionaire

Harry T. Wright of Equitable of New York in
Chicago Tells How He Maintains Large Production

When Harry T. Wright, associate agency manager Equitable of New York, spoke in the sales clinic Thursday morning on "My Program of Operation and Activity," there stood behind him a record of most unusually successful and steady life insurance selling for more than 25 years. Mr. Wright has been for many years a "millionaire." He is a man who has the task before him each year always clearly in mind and has a definite work program. He conducted the clinic, first giving some pointers.

"Someone asked me how I continually keep busy," he said. "The thought occurred to me that it would be rather difficult for me to be anything else, because I have a large clientele who occupy a certain amount of my time. I have a very expensive family and if I don't produce a substantial amount of business every year, it just means that I go to jail, and I never did like jails."

"Now please don't think I am under the impression that I am a smart young man from Chicago trying to tell you how to run your business. I am not. But I can relate some rules and experiences that have been very helpful to me that I believe may be of some help to some of you. You may say: Who am I to give you all this advice?"

Prescribes Four Factors That Help to Prepare Work

"Let me give you what I believe to be four definite helps to keep going, or help develop your program of activity:

"1.—Enjoy your work.
"2.—Have a definite quota and make it a worth-while quota.

"3.—Develop a real determination to make your club or quota.

"4.—Have a real appreciation of the service you are rendering.

"Going back to No. 1.—Enjoying your work. To a large extent I believe you control the fun you get out of this business. I get a bigger kick out of my business than any other thing I do. I have always made a game of it and am in constant competition with myself. If I didn't thoroughly enjoy my work it would be quite difficult for me to keep

busy, and again I repeat, to a large extent you can control the fun you get out of your business. Usually a man is successful to the extent he enjoys his work.

"No. 2.—Have a quota for delivered business and number of interviews. If you don't get any satisfaction in being a substantial producer, having a quota probably wouldn't do you much good. I have always kept a record of the number of interviews I have, plus the amount of business delivered.

"Show records. Unless additional insurance is discussed, I do not regard it, nor do I take credit, for an interview. If a man comes in to change a beneficiary, extend a premium or make a loan, I do not regard it as an interview. I fully believe that unless you keep an accurate record of your interviews that you are very apt to kid yourself in relation to the number of actual interviews you have.

"Very early in the game I sold myself the idea that every interview was worth a certain amount of money. This, to me, has been a very encouraging thought during the many years I have been in the business. I am thoroughly sold on the fact that if I see as many people this year as last year that I will do as much, or more, business. So I don't worry so much about the business, but I do worry and it keeps me busy, about the number of interviews relating to new business that I have. Keeping an actual record prevents me from kidding myself.

Finds Larger Producers Are Very Determined

"No. 3.—A real determination to make your club or quota. I have found, in talking to the more substantial producers that many of them are not as smart or as well informed as some of the mediocre producers, but I do find, without exception, usually the larger the producer, the greater his determination.

"No. 4.—An appreciation of the service you are rendering. One of the best tests of your appreciation of your own business is the amount of insurance that you personally own. Before going into an interview, if you will picture the conditions that would exist if the man took advantage of the particular negotiation, as compared to the conditions that would exist if he did not buy the policy—you would be pretty apt to be in the proper frame of mind. This should be given some serious thought every day. I have made it a point every day to look over the names of my various clients who have since become 'angels' or are totally disabled, and my referring to this every day, believe me, helps keep me in the proper frame of mind.

Urges Hearers Not to Assume Too Many Details

"Don't talk too much: Don't bury yourself with detail. I have a secretary and a stenographer in my office, part of whose expenses I pay and to whom I delegate as much detail as possible.

"You can increase your activity in relation to new business if you decrease your activity in writing briefs and complicated analyses, and I promise you will do more business.

"Many underwriters believe that a man writing a million or over specializes only in large cases. I don't believe that this is generally true; certainly it is not true with me, as I write

(CONTINUED ON PAGE 11)

Brief Paragraphs Give Four Sales

Successful Presentation Must Be
Built Around Prospect's Need,
Says Jacobs

MUST TALK HIS LANGUAGE

Tool from 10-Cent Store Helps One
Man Understand Point Illustrated
and Makes Sale

By I. B. JACOBS
Mutual Life, Chicago

The stage is all set. I am in the prospect's office, sales plans all made. I called him yesterday, and while he said he was not interested in life insurance, agreed to see me this morning at 10 o'clock. "How do you do, Mr. Lee? My name is Jacobs, and I have an appointment." "Yes," he said, "but, as I told you, I am not interested in life insurance." I said, "Perhaps so, but you are interested in your business, and that is what I want to talk about. What is your business worth? What interest have you in it? What is that interest worth? What is it worth to your family? What would it be worth if you died today?" Such questions caused him at this point to get up from his desk, close the office door, also the wicket window into the cashier's office, thus showing enough interest not to want the outside world to know what we were discussing. Answers to these questions had developed his business to be worth about \$150,000, with his interest about \$50,000, also disclosing the fact that he had relatives associated with him upon whom he did not wish to rely entirely for the future welfare of his family. The result was his willingness to be examined for \$50,000 insurance to retire his interest.

Stopped in 10-Cent Store to Buy Tool for Demonstration

Another case: of a young man to whom I had previously sold a small policy. He had told me of having met an official of one of our large companies at a summer resort, who had filled him full of their "special \$5,000 policy." He was engaged in the tool business, having samples on display in the reception room of his office. Before going out, I stopped in at a 10-cent store and purchased a combination set of pliers and wire cutters. Upon arrival, I was told to walk right in, but instead of doing so I requested the young lady to ask her boss to come outside, when I began to ask the prices of his pliers. One was \$3 per dozen, another \$4.50, and his combination pliers and wire cutters were, as I recall, \$5.50 per dozen. I questioned the values and why the difference in prices. About this time I took out my 10-cent purchase and told him it would do all the things his \$5.50 tool would. He then began to explain difference in quality, which I readily admitted, but added that both are for the same use. At this time I pointed out that the same thing applies to life insurance. I got the \$5,000 order. I had spoken his language.

Again I am in a prospect's office. I had endeavored for several weeks to get him to come downtown to see a trust officer, as he had promised, saying he wanted to set up a trust for his three

(CONTINUED ON PAGE 12)

Conducts Clinic



HARRY T. WRIGHT, Chicago
Equitable Life of New York

BIG PRODUCER TELLS OF METHODS

(CONTINUED FROM PAGE 4)

about 45 to 60, or from 50 to 65. That would be a \$200 a month deferred annuity.

I am just mentioning these things because I have used them with success. I don't care what your plan is, if it doesn't work it's no good. I don't care how simple your plan is, if it works, if it gets attention and gives you a chance to talk to the man and let him talk, you have a chance.

Just before I left yesterday I talked to a man who said, "Dix, I don't want to buy any more life insurance and I won't buy any more life insurance."

I said, "Why won't you?"

"My wife just got into an accident and she will be disabled for four or five years. My mother is paralyzed, as you know, and my father is not able to work."

Well, that was just music to my ears. It was easy, with the small program he had, under the settlement option, to pay his wife \$75 a month for six years and one month, to bring the daughter to maturity, and \$50 a month for the next 15 years to his mother and father. He just wilted. He couldn't afford it.

I said, "You can better afford to do without \$20 a month than they can afford to do without this if you pass out of the picture."

I have a lot of 20-pay policies just coming to be paid up. They are paid up for 15 or 18 years. My company has a participating policy, and the average man carries it along and doesn't know his policy is about paid up. I am looking for the lines of least resistance, and I find that by looking up the policies that can be paid up for a slightly reduced amount and by using this approach I have never missed but one in getting additional insurance. Here is my approach: "Would you be interested if

I could increase your estate \$10,000 without your having to pay any more premiums than you are now paying?"

Invariably a man will say, "Say that again."

I say, "In times like these, when your estate is down, would you be interested if I could increase your estate \$10,000 without your having to pay any more premiums than you are now paying?"

"Why, sure."

"Well, I have the figures." You can take a paid-up policy, by using the same premium on an ordinary life plan at the attained age, plus the dividends from his paid-up policy, which will give him the same amount of life insurance on the ordinary life plan. It has been easy.

I have always written a certain percentage of my business each year on the term plan—not in the first instance, but as a last resort, as an optional policy, to get that man on my list as a policyholder, and I trace some of my best policyholders to that, and I very seldom lose a term conversion.

In these times, naturally, it is rather difficult to get a man to push up his insurance quota. I have a lot of policyholders who are down financially, but I have had a great deal of success in taking advantage of the fact that about a year or a year and a half ago most companies increased their surrender charges and cut down the cash values of their policies. Now, by going to a man and showing him that instead of dating the policy back to the original date, just dating it back a year or a year and a quarter or a year and a half, to a point where the policy had no surrender charge, he has a lower premium, he pays a smaller back difference in premium, and he has a higher cash value than if he had converted it at his attained age.

We talk, from time to time, as we go

along, that life insurance is for the protection of a man during the productive period of his life; when he gets around to the retirement age, 60 to 65, to use the cash value to purchase an annuity for himself. How many of us really take advantage of that?

This year I looked over all my old policyholders, and I was surprised to find the men of 65 and older whose wives had died, or who had no children or whose children were able to support themselves. The actuaries will agree that it is all right to take that cash value and turn it into an annuity. It pleases the man and it is good business.

HARRY T. WRIGHT, assistant agency manager of the Equitable in Chicago, a member of the Round Table since 1931 by production, who this year is 50 percent ahead of last year with his company: There are two things, I think, that the million-dollar producer has to contend with—and this probably goes for the average agent just as well as for the larger producers. The first thing, it seems to me, is to keep in the proper frame of mind. I find very often in my rather long experience in the life insurance business, that very often the large producer gets off the track, and I find that invariably he is in the wrong frame of mind.

It has always been very helpful to me, before going into an interview, to rather seriously picture the condition that would exist if the man had negotiated the contract, as compared with the conditions that would exist if he didn't. I think if you would do that, and would give it some serious thought every day, I don't think you would be very apt to say the wrong thing.

Another thing that I have found rather helpful every day: I have a card case that I carry with me all the time. I review the number of my clients that have become angels—I hope—or fellows that have become totally disabled. I have been with the Equitable for about 25 years, so I have a number of clients who have since become angels, and I

find it very helpful, every day, not very carefully, but rather hurriedly, to look over the names of the fellows who have died. It isn't very hard to pick out a great many fellows who said they didn't need insurance, that they had a farm up here or they had a lot of bonds or a lot of real estate, and to realize what the situation would have been if some insurance man hadn't seen them and rendered a real service.

Large Producer Apt to Be Swamped with Detail

I think the second thing is this: The larger producer is very apt to be swamped with a lot of detail. In my office I have two girls, a secretary and a stenographer, part of whose expenses I pay, and I find it is a very easy thing for me, if I don't watch myself very carefully, to get swamped with a lot of detail. I have a large number of clients who are willing to tell me how the life insurance companies should be run, or how the government should be run, or to talk about the football games and all that sort of thing. It takes up a great deal of time, and I make it a point to delegate every bit of detail that I possibly can.

I am not kidding myself that there isn't a certain amount of detail that I have to take care of. I have certain clients who insist upon seeing me, but I find this very often: I have talked to some of the largest producers who haven't gone so well in the last few years, and they tell me, very often, "Well, I have only been able to spend about 15 percent of my time in relation to new business."

I think that when a man does that he is kidding himself, because you can get a good secretary for not too much money, and they will handle a lot of detail in a more satisfactory way, probably, than you can. I know that, with regard to a lot of rules and regulations, I very often ask my secretary what the rules are.

WELCOME

As a host Company, we take particular pleasure in welcoming to Milwaukee

the

National Association of Life Underwriters

You are invited to visit our Home Office,

808 North Third Street

The
OLD LINE LIFE

Insurance Company of America

MILWAUKEE, WISCONSIN

Curious Trail of a Comet

BY JOHN NELSON

Public Relations Supervisor, Observations of Edmund Halley Removed
Sun Life Terror From Both the Sky and Earth

My talk will have little relation to the technique of our profession. I have no counsel to offer you in that regard. I will leave advice on that subject to others, more competent and more experienced.

What I have to say will relate to the beginnings of life insurance. The beginnings of things are always interesting and life insurance is no exception to that rule. There is much in the origins of our business that is arresting and important, a better knowledge of which, I feel sure, would contribute to the improved efficiency and the status of our profession. Indeed, it is questionable whether this is not just as much needed as deeper actuarial knowledge or keener salesmanship. A more thorough acquaintance with some of the facts connected with the beginnings of life insurance, I feel sure, would increase the appreciation and deepen the respect of us all for the worthiness and dignity of our profession.

The important role that life insurance plays in present day business is now rather well understood. Its part in finance and in trade and investment has become common knowledge. Its relationship to social progress is, perhaps, not so well known, while the intimate, often rather obscure, part which it plays in political development is certainly not generally appreciated. We think of life insurance as being incident to all these human activities—a result, rather than a cause. There is too little appreciation of the factor which life insurance has been in the origins and in the creation or the establishment of certain important forms of our economic and national life, which seem to have no relation to the profession to which you and I belong. I think it is well that we should give consideration to these matters. Too few of us who speak the English tongue realize how, back in the 17th century, when the order of society to which we belong and which is today persisting with some difficulty, was just emerging, the search for security on the part of men who were interested in the protection of their dependents, led to the discovery of certain scientific formulae which, directly or indirectly, changed the whole course of history. It put investment, for the first time, on a secure basis. It completely transformed national finance. It

led to the establishment of modern banking. It had a significant part in both establishing and overthrowing certain dynasties and it had a rich and colorful bearing upon the establishment of democratic government as we now know it.

Halley's Comet Arrived on Schedule 25 Years Ago

Early one May morning almost a quarter of a century ago, some of you rose before daylight and, peering out into the darkness, saw a comet with a long tail of swirling star-dust sweeping across the sky. That comet had not been seen for over a century. But you knew it would be there at that precise point at that exact hour, and you set your alarm clocks accordingly. Because more than two hundred years before a clever mathematician and astronomer, Edmund Halley, had worked it all out. He had trailed this celestial vagabond half way round the world and had calculated its orbit and its movements so accurately that he knew just what it would do and where it would be at a given time. For the first time in human history he was able to announce when it would return to view. He set the dates for 1758, 1835 and 1910. And he was right. So they made him astronomer royal and attached his name to his discovery. It was thenceforward Halley's comet.

Discoveries Lifted Great Terror from Men's Minds

This vagrant visitor had terrified people for over two thousand years. It appeared and disappeared without warning. The ancients attributed to it all sorts of malign influences. Hence its appearance caused profound apprehension and alarm, for it was the supposed precursor and the portent of all sorts of human ills—war, famine, plague and death.

Seneca, the Roman philosopher, was sure that there was no ground for these fears. He wasn't able to explain it himself. Like a good many other philosophers, he perhaps hadn't much facility in figures. But he staked his reputation on the statement that "some day there will rise a man who will demonstrate in

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New Secretary



JAMES G. CALLAHAN

James G. Callahan, St. Louis manager of the Metropolitan, is the new secretary of the National association, succeeding Ernest W. Owen of Detroit.

Three New Members Named to Resolutions Committee

Appointment of three new members to the resolutions committee was announced at the conclusion of the Wednesday morning session by President C. Vivian Anderson. They are Alexander E. Patterson, Penn Mutual, Chicago, John Newton Russell, agency advisor to the Pacific Mutual Life, and Paul F. Clark, John Hancock, Boston. The former members are: E. B. Thurman, New England Mutual, Chicago, chairman; J. Stanley Edwards, A. W. Van Houten, Kenneth W. Jacobs, Jr., J. L. Lee, Robert Retzer, and Seth W. Ryan.

Col. Talbot Is Visitor

Col. W. E. Talbot, vice-president of the Southland Life of Dallas, was among the prominent conventioners.

Carl Peterson on Hand

The Northwestern National Life head office was represented by Vice-President Carl A. Peterson.

Supervisor's Work Highly Important

Chairman Collins Sounds Keynote in Session of Men Who Train Agents

IS PUBLICLY RECOGNIZED

Manning and Gottschall Also Address Gathering on Responsibilities, Opportunities in Job

There is a dignity and latitude for constructive work in the job of supervisor of an agency that makes it worthy of the efforts of a successful and versatile agent, Ray H. Collins, assistant Wisconsin manager Security Mutual Life, Milwaukee, declared in his opening remarks as chairman of the supervisors' session. It is an art to be able to lead and direct others, he said.

Mr. Collins introduced Thomas A. Manning of Milwaukee, who spoke on "Milwaukee's Gesture," and Walter L. Gottschall of Chicago, who discussed "The Responsibility of Leadership." Mr. Collins, who is chairman of the Milwaukee supervisors' committee, said in the past an agency supervisor often very largely functioned to perform tasks which the general agent or manager did not care to do. The stature of supervisors has grown considerably with the idea of more professionalized life insurance selling. His subject was "The Challenge to Leadership." The session followed a "dutch" luncheon for the supervisors.

Work of Supervisor Is Challenge to Best Agents

"Our challenge to the successful and versatile underwriter of today is one of leadership," he said. "Until recent years the work of the supervisor and assistant manager has frequently been that which the general agent or manager did not wish to do. In case of a miscarriage in office procedure, or a misunderstanding with the home office, this same supervisor or assistant manager should always be willing to take the blame.

But, as we view our work today, not

(CONTINUED ON PAGE 28)

Quintuplets for You

CENTRAL STATES LIFE ST. LOUIS

Work Tax Argument May Plague Life Men

Legislators Study Selling Talks
and Pass Laws to Void
Exemptions

LIQUIDITY COST IS HIGH

Legal Bars to Demands on Contracts
Enabled Life Insurance to
Get By

By WILLIAM A. STARK
Vice-President and Trust Officer, Fifth-
Third Union Trust Company, Cincinnati

The subject chosen by me may be somewhat misleading, since it is not my intention to in any way discuss the New Deal which emanates from Washington. Any discussion of the political New Deal would be out of place at this time.

However, we were handed a new deal in business before the last presidential election. We are faced with new conditions of living and getting a living.

Since 1929 life underwriting, like many other businesses and professions, has undergone a change, and, while it has stood up remarkably well under the strains and stresses of the last five years, it must be admitted that the change has or should have had a very material effect upon the way in which you men and women go about your work. Unlike the bankers, you and your companies still have the benefit of popular approval, and it behooves you to so conduct yourselves as to retain the benefit of that most important asset.

Common Sense and Not Strait-jacket Is Needed

The entire country is suffering from a period of temporary insanity and, unfortunately, only a few have been completely restored to reason. One might say that the banker is being legally restored to reason, since he, by legislative enactment, is being forced to desist from his insane practices, but, unfortunately, legislators are not good alienists, or else they would know that the thing that is needed is common sense and not a legal strait-jacket. Why am I bothering you with all this seemingly irrelevant talk? Because you and the companies you represent were also affected by the same insanity.

Getting Away from Fine Concept of Insurance

However, I am happy to say that there are many evidences to prove that the leaders among you and your companies are going to cure the trouble through the application of common sense before the legislators of this country can apply the strait-jacket. In fact a part, and in my humble opinion a large part, of your troubles in the last five years arose out of the application of legal strait-jackets just after the well-known Hughes investigation. At that time your companies were the victims of the same kind of vindictive, and therefore unwise, legislation from which the banks of the country are suffering today. I refer to the enactment of the laws which fixed the cash surrender and loan values of life insurance policies, and which started your companies in a competitive race to see who could get out the contract which in time of need would be the best quick asset. Gradually this resulted in the placing of your companies more and more in the banking business and in causing them to get farther and farther away from the true concept of life insurance.

Please do not get the idea that it is

my opinion that you should sell nothing but ordinary life and limited pay life policies. Such is not my view.

Someone says, "Why tell this to us? We are only salesmen. We do not decide what our respective companies will sell." I say you are wrong. You do determine what your companies must sell. You are ever on the search for something that will give you an edge on your competitor. In the last few years you have been eager to get a contract that you could sell. The people who needed life insurance had no funds to purchase it, and the people who had funds needed no life insurance, but hesitated to put their capital in a place where it could not be quickly withdrawn. The result was that emphasis was placed on the selling of what I call—not investment contracts but savings accounts. The more conservative of your companies soon saw where this new move was taking them, but, they hesitated about applying the brakes. Now that they are faced with an extremely low yield on high-class investments, which low yield is likely to continue for a considerable period of years, they are really putting on the brakes, and many of you are protesting against this action.

What does this mean to you? It means that you must get away from the savings bank (sometimes wrongly called

investment) sales argument. It means that you must go back to selling contracts which life insurance companies were created to make and which they have demonstrated they can carry out despite "hell and highwater." Your respective companies, if they deserve any ranking at all as life insurance companies, are anxious to go back to the life insurance business, and it is up to you not only to help them so to do, but also to make it possible for them to do it at an early date.

Saw Disastrous Results of Security Business

Perhaps someone will say that I am speaking for the benefit of the banker. Such is not the case. I am not a banker, but a trust man. As a trust man, and therefore closely allied with banking, I saw the banks go into the securities business, with disastrous results. Why? Because the two lines of business originally served as a check on each other. The bank acted as a sort of checkrein on the sale of unsound securities, and the investment dealer saw to it that the banker did not go into partnership with business. In a different way and to a different degree life insurance companies and banks need each other, and the merger of the two businesses in one

company would be disastrous to both you and to the country.

Now I hear someone say that, as a trust man, I am trying to shut off the competition of the annuity. This is not so, as I have always been and still am a great believer in annuities, and I feel that they have been too little used in this country. However, I do not favor an annuity which can on short notice and without material loss be turned into cash. An annuity contract issued by a strong life insurance company is the only means by which an individual can get the benefit of everything he or she owns while living and still be sure of a certain income until death, even though that death may be postponed far beyond the Biblical period of three score years and ten. It is not unusual for us to have placed in a trust agreement a provision directing the trustee to purchase an annuity, and quite often I tell a prospective customer that an annuity will serve his or her purpose much better than a trust agreement.

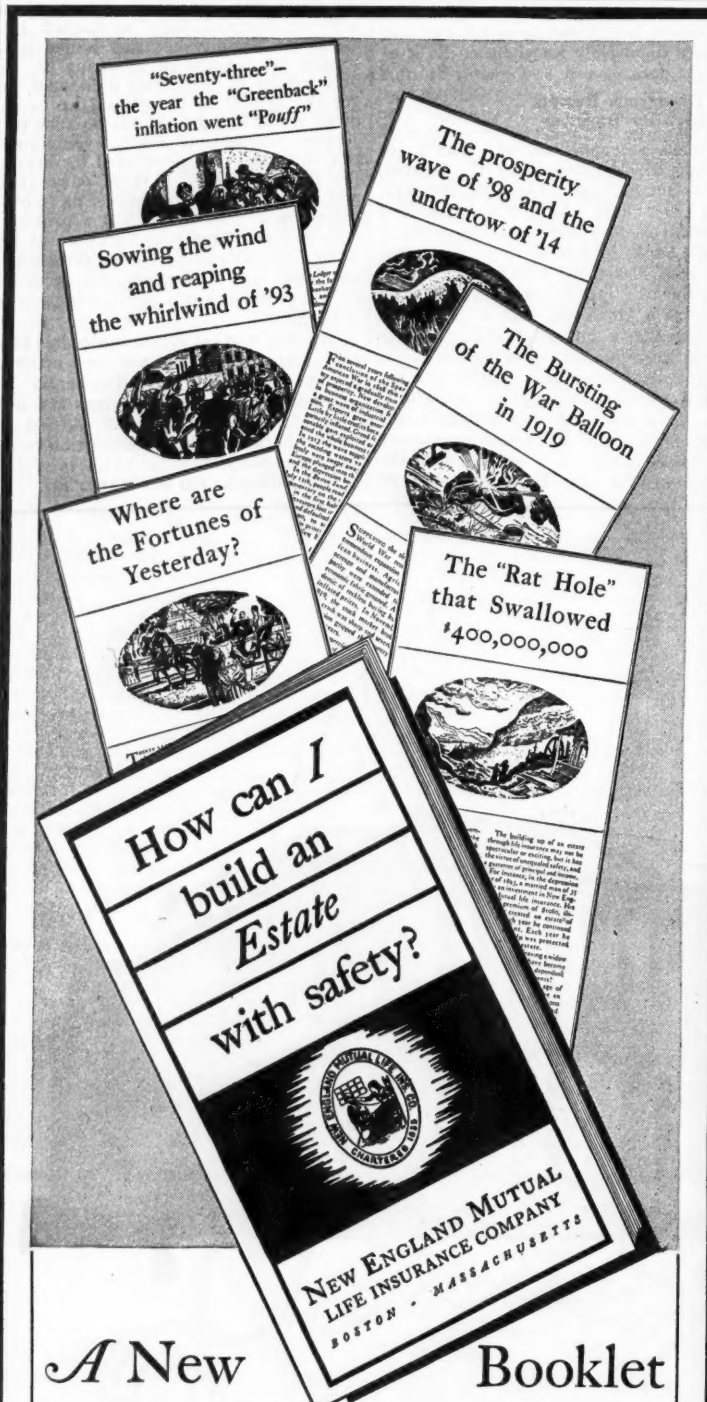
The real market for annuities has been only scratched. Instead an artificial market has been created wherein life underwriters have sold savings accounts bearing the label "annuity." A real annuity offers very little competition to the trust company, because there is seldom

(CONTINUED ON PAGE 13)



The Mutual Benefit Life Insurance Company began business
at Newark, New Jersey, in 1845 as a strictly mutual organi-
zation. Since that date, it has maintained relationships of
highest character with its members and its representatives.

Ninetieth YEAR IN LIFE INSURANCE



How can I build an Estate with safety?

NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY
BOSTON - MASSACHUSETTS

A New Booklet

now being offered to readers of our national advertising. A copy sent on request.

NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY of Boston

GEORGE WILLARD SMITH, President

SEVENTY-ONE AGENCIES IN SIXTY CITIES

Gives C.L.U. Slant of General Agent

Lackey Tells Need of Education to Raise Social Standards and Income

BIG TURNOVER IMMINENT

Appeal to Graduates to Take Lead—Good Records Made by Degree Men

By **GEORGE E. LACKEY, C. L. U.**
General Agent, Massachusetts Life

The C. L. U. movement is gaining ground so rapidly in the various communities that it is hardly necessary to give it any additional momentum. However, I am pleased to give you a few expressions which come to me. I am trying to look at this thing from the desk of a general agent or manager in an effort to test its practicability and desirability in our agency work and I shall endeavor to meet the issues squarely as I see them. First of all, I believe it is agreed that all of us know too little about our business and lest we, who have obtained this coveted designation of C. L. U., may not be misled, may I tell you that, in my opinion, it only qualifies us to properly study our business.

Education is not by any manner of means the entire answer to the success problem in business or professional life. Ingenuity, thoughtfulness, objectives and many other things enter into this life's molding and have their place also, but it is conceded today that education, in a majority of cases, raises the social standards and the income.

C. L. U. Study Course Gives Adult Education

The merchandising of life insurance is going through a period of transition. Like many other types of business we are emerging, so to speak, from one type of salesman to the other.

The C. L. U. study course has, and is endeavoring to give, adult education in an effort to make us cognizant of this broad field of life underwriting in

which we have engaged to make our living and, at the same time, serve our fellow men well.

At this time, there is a man who is a part of our agency machinery, a most important fellow too, who, in the majority of cases, is missing. I am referring to a person, preferably between the ages of 25 and 35 years, a college graduate, a leader of men, a teacher, a person who knows life insurance and the kindred subjects as provided in the C. L. U. study course under the direction of the college, a person who is practical and an interpreter of the company's policies and practices. He is oftentimes referred to in the language of our respective officers as: "Assistant to the general agent," "supervisor," "educational director," or "production manager." There seems to be a wonderful market for the services of this individual, ranging in compensation, I should say, from \$200 to \$600 a month. All too frequently have I had my general agent friends of the country say to me, "Where can I find an assistant, who, after a discussion, needs to measure up to the qualifications above described. They are scarce in our business."

Graduates Are Being Looked at Critically

The life insurance companies want men like I am describing. No, not just a man who can be a good student and pass the C. L. U. He must be in balance. That is my challenge to the group of which I am a part, namely the graduates of 1934 and all previous years. I hope you sense your responsibilities as I see them. You are being looked at critically. I consider that your responsibilities have been doubled along with your designation. Whether you ever have before, you must now be a leader in your respective agency.

Being in Milwaukee, I am reminded of Grant L. Hill, one of the first C. L. U.'s in America, who is now director of agencies of his great company, the Northwestern Mutual, domiciled in this city. The agency organization with which he was associated, the largest one of his company, Clifford L. MacMillan, in New York City, from advertisements noted, seems to be employing practically all C. L. U. men as assistants.

Analysis of C. L. U. Men Made by Equitable

It is interesting to notice an analysis recently made by the Equitable Life of New York of the C. L. U. men who are now associated with that fine company. They are taking their places in the sun, so to speak, and are doing a

(CONTINUED ON PAGE 28)

Speak at C. L. U. Sessions



GRANT L. HILL
Northwestern Mutual Life



GEORGE E. LACKEY, Detroit
Massachusetts Mutual Life

SOME TIPS ARE GIVEN BY MILLIONAIRE

(CONTINUED FROM PAGE 6)

a lot of small cases. While some previous years showed more volume of business, the average case was approximately the same."

Here Mr. Wright recorded the number and amounts of his cases closed in 1933, which totaled approximately 150 cases for \$1,067,000 volume. Cases \$10,000 and under totaled \$768,250, indicating that Mr. Wright is not in the main a "jumbo" risk writer. He set forth his record of cases as:

1... \$ 1,000	40... \$ 5,000	2... \$ 9,000
3... 1,500	2... 5,500	34... 10,000
6... 2,000	2... 6,000	2... 12,500
11... 2,500	3... 6,500	2... 13,500
18... 3,000	2... 7,000	7... 15,000
5... 3,750	4... 7,500	1... 20,000
1... 4,000	2... 8,000	2... 25,000
		1... 75,000

"I am not bragging about the above results at all," Mr. Wright continued. "Many million-dollar producers did the same amount of volume with considerably less effort, but I believe a large number of cases is a very healthy kind of business. I know that my renewals have been considerably less affected than many producers and I thoroughly believe if you do business with a large enough number of people that some of these people are bound to develop into wealthy business men who in the natural course of events as they make progress will look to you to handle their insurance."

Insists on Seeing Men Under Proper Conditions

"You save time and energy by seeing men under the proper conditions. Personally, I won't see them any other way. About 75 percent of the cases negotiated last year were negotiated in my office. In 'phoning a man for an appointment on a delivery interview, I invariably suggest that we get together

in my office. If he objects I say: 'It doesn't make a particle of difference where I see you so long as I see you under the proper conditions, and this occurs to me: You are terribly busy at your office, are subject to various interruptions that you can't control. If we get together over here you won't be interrupted, and as a matter of fact we can dispose of it in a shorter time, anyway.' I save considerable time by 'phoning and making a definite appointment."

Intelligent Meeting of Objections Another Factor

"Along with activity, of course, objections must be met and intelligently handled. Recently I saw a man who was perfectly willing to give me the information I desired but wanted me to mail him a proposition. I said: 'That isn't the way to do it. It is the easiest way from my standpoint but it would not be helpful to you. If your wife were ill you certainly wouldn't want the doctor to mail you a prescription; you would want him to see your wife in order personally to diagnose the case and render proper treatment. On the same basis, we don't mail our prescription. In the first place, it wouldn't do you any good. In the second, it might kill you.' My experience has been that a man who mails a lot of propositions, settles very few death claims."

"The man who tells you that he has several friends and fraternity brothers in the business. If you say: 'Mr. Jones, how much insurance are you going to buy?' in all probabilities he will say, 'I am not going to buy any insurance right now.' 'If you aren't going to buy any insurance, Mr. Jones, certainly that eliminates your friends and fraternity

brothers. Now, if I call your attention to some things that your attention has not been called to, and you come to the conclusion that it would be to your advantage to make connections, you probably would want me to handle the matter for you."

"My good friend, Alex. Patterson says he always closes the interview, rather than let the man to whom he is talking terminate or ease him out of the office. This is a very good point and the proper way, of course."

"Be fair in competition. The man is considerably less interested in figures than you think. If the need is sold the cost will certainly be secondary. Incidentally, the fairer you are to your competitors the more business you are likely to do."

Offers Four Suggestions on How to Get Ahead

"These four suggestions may be helpful:

"1. Take your job seriously, but for heaven's sake don't take yourself too seriously."

"2. Keep a record of your interviews and get into competition with yourself. Be concerned about beating your previous year and make a game of it and play the game."

"3. Don't have a lot of follow-ups. See a man, make your suggestion; get the desired information. I think you should get him examined. If he doesn't follow your suggestion, forget him. It takes a certain amount of courage to tear up a card, but believe me, it is the thing to do. Continually seeing the professional procrastinator probably accounts for more failures in the insurance business than I know of."

"4. Get in the proper frame of mind, and stay in the proper frame of mind. Give some real thought every day to the service that you are rendering. Stay away from the man who is everlastingly pessimistic about everything."

Gives Advice on How to Plan Sale

(CONTINUED FROM PAGE 6)

I am successful it is much easier to get right to the heart of the interview."

I have found it extremely valuable to have something typed or hand lettered to show my man. To me it personalizes the interview, it indicates preparation and thought. It takes advantage of the sense of sight, and helps keep both of us on the track. In fact one of the cases I sold this month was a man to whom I gave a simple little chart three years ago. It had completely slipped my memory and records. He was still on the track and got me on too, in spite of my bewilderment."

First Statement Is of Extreme Importance

In planning what I am going to say and how and when I am going to say it, I try to stick to a few simple rules. After the greeting, salutation, and possibly a philosophical remark on the weather, I try to make a strong statement or ask a simple question pertinent to his need. I use the phrases I like, because my expression, my voice, my demeanor can make them more commanding in interest and attention. To me this first statement is of extreme importance because in starting the interview right I create a serious state of mind in my man and direct his thinking. Therefore, before I go to see him I have planned the exact phrase I will open the interview with. If it's a new phrase I try it on someone else first, usually another agent."

Although I have never successfully mastered any complete sales talk, I am enthusiastic over the presentation of a sequence of ideas. To me the ideas themselves must be powerful and if they are presented intelligently in proper sequence the results will be excellent. My



The National Life and Accident Insurance Company

... Made More Growth Than Any Other Company in 1933
... Has Made More Growth First Six Months, 1934, Than It Made During the Entire Record-Breaking Year of 1933

AMONG MORE THAN THREE HUNDRED COMPANIES IN THE UNITED STATES AND CANADA—

THE NATIONAL RANKS—

FIRST—On increase in Industrial Insurance in force for 1933.

FIRST—On increase in Ordinary Insurance in force for 1933.

FIFTH—On total number of policies in force.

SEVENTH—On total Industrial Insurance in force.

ELEVENTH—On new Life Insurance written during 1933.

GROWTH FIRST SIX MONTHS, 1934, ALMOST FOUR TIMES THAT FOR FIRST SIX MONTHS, 1933
HERE ARE THE COMPARATIVE FIGURES
NEW PAID BUSINESS

	First Six Months 1934	First Six Months 1933
Industrial	\$73,477,698.00	\$59,516,118.00
Ordinary	29,052,054.00	16,722,657.00
Total	\$102,529,752.00	\$76,238,775.00
INCREASE IN INSURANCE IN FORCE		
	First Six Months 1934	First Six Months 1933
Industrial	\$22,214,000.00	\$ 7,866,815.00
Ordinary	15,397,780.00	2,525,409.00
Total	\$37,611,780.00	\$10,392,224.00

First Among All in 1933

Growing Greater Every Day

Shielding Millions — Are We Shielding You?

The National Life and Accident Insurance Company, Inc.

HOME OFFICE

NATIONAL BUILDING

NASHVILLE, TENN.

20 — 12 — 10 — 15 — 20



HERE'S PROOF!

We have weekly reports from boys who were following the ORGANIZED SELLING PLAN before the bank and insurance moratorium last year—and who are still on the plan and still making reports.

Their combined reports cover a period of over 3,500 weeks—equivalent to watching one man's work more than 70 years.

For the full period, 70 years, they show 157/10% sales.

For the period from March 1 to May 30, 1933—the percent of sales for these same men was 137/10%.

A PLAN THAT WILL DO BUSINESS DURING A PERIOD SUCH AS MARCH-APRIL-MAY 1933—about as well as at other times—must have something in it worth investigating.

Interested? Then write—

Harold J. Cummings, Vice-president,

The Minnesota Mutual Life Insurance Co.
SAINT PAUL

20 — 12 — 10 — 15 — 20

Don't Bury Your Head in the sands of the Big Company

It will pay you to investigate our liberal agency contract.

For the agent who is capable, we have a "New Deal" contract that goes the second mile with the agent.

We have

A complete line of adult and juvenile policies.

A very elastic family income rider paying the same commission as the policy to which it is attached.

Ordinary and Twenty Payment Life on the \$2.50 Monthly Plan,—a business getter in 1934.

Training facilities and home office circularizing.

Home office executives who understand Agents' Problems and who are interested in their welfare.

In business
since 1895



A MUTUAL
Company

"Solid as the State"

experience has shown me I can not gauge every action and reaction. If instead of a precise talk I have a definite and proven sequence of ideas, even though I be sidetracked at any point in the interview I can easily get back in line.

Avoid Getting to the Conclusion Too Quickly

In presenting my sequence of ideas, I have found it necessary definitely to plan to prevent myself from getting to the conclusion too quickly, stating the solution before I have convinced my man of the need. As an aid, I often scribble the ideas on a card in their proper order, quickly reviewing it a minute before I see my prospect.

In planning my sequence of ideas I attempt, after first getting attention, to get affirmation of my prospect's particular problem or need, then state my solution, then motivate him into action. To motivate I realize I must be prepared with examples, stories or comparisons

that will hit close to home. It is the most difficult part of the sale and I have learned to be prepared.

In preparing, I try to think of examples or stories that are current news and have a strong emotional appeal, because I know I must paint the picture and he must see himself in it.

An old rule is to get out when one's sales talk is over, not to hang around after a decision has been reached. I have not found it necessary to plan for this. Some years of experience have taught me to restrain that natural desire to gloat over victory or sob when defeated.

I believe the one all-important guide post in planning the sale is to think the case through, weigh the man's problem and the solutions in your own heart, feel the pressure of his need, then with the contagious enthusiasm of a cheerful champion in a great cause, make his mind and heart feel the beautiful, richly human service life insurance offers and yours will be a great reward.

Brief Paragraphs Give Four Sales

(CONTINUED FROM PAGE 6)

boys. Impatient at his delays, I had 'phoned him the afternoon before, telling him I would call at 10:30 the following morning. Upon entering, said, "Good morning, Mr. Howe. I am going to lay all my cards upon the table" (placing my business card on his desk). Being seated, I continued, "I am not here to sell you anything. But I am here to help you solve your problem." Taking up a scratch pad, I began asking questions and jotting down the answers. "These three boys of yours, what are their names? When were they born?" He was a widower, so I did not need the name of his wife. "Where do you live? How long have you lived there? What office do you hold in this firm? How long in this business? Where were you born? When? Do you now have life insurance?" Here he said he had \$2,000 endowment once, which he cashed several years before. With answers to these questions I had all information needed to complete an application. Had never applied for other insurance and did not believe in it, as he had plenty of real estate, some stocks and had a considerable interest in the firm with which he was associated as vice-president.

Provision Made for Three Boys in School and After

It developed he would like to have each of his boys have assurance of college training and a good start in life. What did he have to do to it with? His real estate was on the decline with income from this source questionable in event of his death. His interest in the business might be enough if he lived, but of doubtful value if sale were forced. So I outlined a plan to give each of his boys \$100 per month for four years of college, reducing the income to \$75 per month thereafter, to make it necessary for them to go to work to supplement the income, until each attained age twenty-five, when they should receive \$5,000 cash. No income to age 30, when they should each receive \$10,000 cash, and the balance remaining to be paid to them at age 35. He liked the plan, no mention being made of the amount required, nor of the premium necessary. No, he would not be at his office the following morning for the examination, but would be at home in the evening. I thought I could get the doctor to go over that evening, which he did.

Prospected Wanted More Than He Could Pay For

When the policies, a \$50,000 and two \$25,000, were received, I took them out in a nice leather portfolio with his name in gold, which pleased him very much. We looked over the settlement options and he made a calculation of the premiums, \$4,934.50, saying, "I do not have that much money right now." I said, "How much have you?" He answered

"\$3,000, and I can pay the balance in 30 days." Remember, this sale was not closed until he made the statement just noted.

Visiting a large policyholder to interest him in additional protection to cover depreciation in securities in 1930, I discovered he had lost about \$250,000 in the market and through failure of his brokers. There was no depreciation—it was all gone—immediately I proposed a sinking fund to create an income for him at age 66. He was ambitious; he wanted too much and could not pay for it, so I compromised on \$50,000 15-year endowment and in addition prevailed upon him to leave his dividends in the future so his life policies would become paid-up, which would give him freedom from premium payments about the same time. The income from the endowment would then be sufficient. I sometimes find people who do not want to die to win.

Those here presented are actual experiences, which I hope you have found interesting.

Certain fundamentals of salesmanship and definite principles which have been found to be unerring in their effectiveness must be followed in making presentations. And without going into the details of psychological actions and reactions in the process, I must say that my plan, like most others, is based on experience and expediency, with proper attention being given to the background of the prospect, to whom we must above all else give the main part in the picture.

A successful presentation must be built around the prospect's need. He is not at first interested in the size of your company, nor in percentage ratios you may be able to quote.

Prospects are human beings, even as you and I, so we must get ourselves interested in the problems of the people we interview. Sell men what they want. Sell the uses of life insurance.

Provident Mutual Dinner Honors C. Vivian Anderson

About 50 representatives of the Provident Mutual gathered at a dinner Wednesday evening in honor of C. Vivian Anderson, president of the National Association of Life Underwriters, who is connected with the Provident Mutual in Cincinnati. The toastmaster was A. A. Heald, general agent for the Provident Mutual in Milwaukee, who is national committeeman. The home office was represented by Franklin C. Morris, manager of agencies; Walter D. Cross and Malcolm L. Williams, assistant managers of agencies, and E. A. Farrington, agency superintendent. Most of the Provident Mutual men on hand were from Milwaukee, Chicago, Cincinnati, St. Paul, Minneapolis, and Duluth.

Tax Argument May Plague Life Men

(CONTINUED FROM PAGE 9)

a case which can be equally well cared for by both. Many times a combination of the two services is needed, and if both the underwriter and trust officer would forget the idea that the two services are competitive they would both be better off in the long run, because the public would be better served and, after all, it is a satisfied clientele which brings us business.

Right here it might be well for me to say a word in behalf of those companies which at present are cutting down on the size of the single premium which they will accept. This situation is not sitting well with their selling forces, but I am here to tell you that these companies are showing foresight. They know that in the long run the company which sells low cost life insurance will have the best sales argument. They know that the forced investment of an unusual amount of cash at this time, when interest rates are very low, will tend to raise the net cost of their insurance. They know that there never was a time when the investment of funds was so great a gamble. We trust men appreciate what the life insurance company is up against in the matter of investments, and, as a trust man, I can tell those of you who are working for companies which are limiting the size of single premiums, that you will live to see the day when you will be thankful that you are working for a company which has not only the foresight, but also the courage, to turn down present business in order to protect its future. The good life insurance companies do not come and go, but they are institutions which last through generations and which should last through centuries, and I for one am pleased to see that many companies are looking to the future rather than the present.

Liquidity Cost Companies Plenty of Money

So far I have endeavored to convince you that insurance should not be a savings account and that it should not be sold as such. As an investment, insurance today has a first-class rating. In fact, I believe it ranks next to government bonds. However, if it is to remain as liquid as it now is, the consequences are going to be serious. The life insurance companies of this country are well aware of this fact, and, unless I am greatly mistaken, they are going to correct the situation as fast as they can without unduly disturbing you and their policyholders. Low net cost life insurance and life insurance which is a highly liquid asset can not over a period of years be sold by the same company. Since most of your home officers are convinced of this fact and since selling life insurance is your business, it behooves you to gradually change your sales talk so that less emphasis is placed upon the liquidity of life insurance. The years 1929 and 1930 conclusively proved its present liquidity, and many of us are very thankful for that fact. However, that liquidity cost the life insurance companies plenty of money in the last five years and resulted in most of them being prevented temporarily by law from carrying out those features of their contracts which made them liquid. Serious consequences were avoided, but a spotless record was stained and a glimpse of what might have happened was granted. Your home offices have taken the lesson to heart. Have you? If not, you had better wake up, unless you as an underwriter want to be discredited.

Tax Authorities Study Sales Arguments and Plug Loopholes

So far I have addressed myself to some of the fundamental matters pertaining to the merchandise which you sell as they affect your selling arguments. Now, I desire to tell you a few things about your sales talks which are not affected by home office actions. To a greater or less degree most of you are

tomers. Now I fear that you underwriters may follow in our footsteps and that you are pursuing a course which will lose you many friends. As these plans are largely for the more wealthy of your clients, the loss of their friendship will be a serious matter.

Further, you may arouse the enmity of the tax spender, with the result that he will try to get even by placing new taxes on insurance itself, which is already greatly overtaxed. Every time you use a tax avoidance argument you are bringing closer the day when this will happen, so that my advice to you is that in your advertisements and sales talks you should let tax avoidance be an incidental argument. As things stand now, your merchandise is good enough to sell without this argument, and should the tax burdens of insurance be increased it would seriously interfere with its value to your clients.

Will Premium Note Evil Be Revived by Agents?

In preparing this talk, I debated for some time as to whether or not it was necessary to caution the underwriter against a practice much used up to 1931 and which proved quite costly to many of you. I refer to the acceptance by the underwriter of notes for the entire first year's premium and, in many cases, for all or a part of the second year's pre-

mium. Experience has undoubtedly made it unnecessary for anyone to warn you about this practice. Except for rare cases, it never was a sound way of selling life insurance and, as is the case with most bad practices, it was the child of competition.

If, as, and when we return to good times, this method of selling life insurance will again appear. What are you going to do about it? You know it is unsound. You know that it places the underwriter without capital under a handicap. You know that it has brought loss to you, as well as to those of your clients who had both the ability and the willingness to pay their just obligations. I believe it lost you friends, and I know it caused you many a sleepless night. Are you going to let it reappear, or are you as an association going to find some way to ban the practice? It is your problem, and it should be solved before it has the opportunity to regain a foothold.

No Way for Average Man to Guard Against Inflation

Now a word as to a subject which you are being forced to discuss in your sales talks. I hesitate to mention this, because it is quite generally deemed to be political. However, I know it is worrying you and the company for which you

(CONTINUED ON PAGE 28)

CHECK!

- ✓ Why boast about attractive agency contracts?
Every successful, alert company has them.
- ✓ Why ballyhoo over a collection of unique policies?
Every aggressive, properly equipped company has them.
- ✓ Why brag about up-to-date sales plans and material?
Every efficiently managed company has them.

—Then wherein lies the difference between companies?

It lies in Character, Personality, and Ideals!

- YOU want a company that recognizes you as an important factor in its organization.
- YOU want to feel that you are a respected, personally-known member of a live and pulsating human force—not a number in a machine.
- YOU want a warm spirit of friendliness and good-fellowship throughout the organization of which you are a part.
- YOU want, in a word, to be a man among men and enjoy individuality and life—not to be allowed to feel small, unrecognized, ignored.

Why not give a thought to the

AMERICAN CENTRAL LIFE INSURANCE COMPANY
Established 1899 :: :: :: :: :: Indianapolis

"GUARANTEED BENEFITS—GUARANTEED LOW COST"

Big Attendance at Managers Session

Ruralites Discuss Small Town Jobs

Study How to Keep the Country Agent Cheered Up and Producing

BRING OUT MANY IDEAS

General and District Agents From All Sections Contribute Plans and Useful Suggestions

After several years of experimenting, an arrangement for handling the group sessions of the managers' section has at last been devised, which met general approval and is likely to be perpetuated. The crowd was really divided into two sections—rural and urban. Those interested in the rural situation remained in one room throughout the day and the "city slickers" as they were dubbed by the rural crowd, remained in another. Each group had four changes of presiding officers and four changes of subject matter, which helped to maintain interest. Some of the presiding officers had arranged to have formal talks made and thus discussion was cut off; others had not done so and there was lively discussion. A multiplicity of points were covered and those attending were animated in asking questions and offering suggestions. Below is presented a running account of some of the highlights of the day's discussion among the rural people:

H. A. Hedges, Equitable Life of Iowa, Kansas City, in opening the session on training and supervision of agents in rural territory pointed out that so far as training is concerned the job is to teach the new man what insurance is and what it does and to teach him the requirements of the job.

Combine General Supervision and Individual Instruction

As to supervision he said there is the field of general group supervision and then there must be individual instruction. He contended that rigid requirements should not be set up for the group.

The first speaker was C. E. Brown, Mutual Life of New York in Des Moines. He has an agency of about 75 men. He holds meetings at least once a month at which prospecting, selling plans and working plans are emphasized—"somebody to see, something to tell them and staying on the job." At the meetings a sales demonstration is usually conducted. The meeting starts with a luncheon. Practically every worth while producer in the agency attends at the expense of the management. The meetings are held on Monday.

Demonstrating Policy Contract to New Men

Mr. Hedges interjected the comment that he uses charts to demonstrate the policy contract to new men. Four types of contracts are selected and the men are shown how to apply these to various situations. As little technical knowledge as possible is imparted before the new man is thoroughly grounded in life insurance situations. A work sheet is supplied containing leading questions such as "Whom do you know from your old job, high school, college, whom do

Head Rural Group Sessions



Three who presided at group sessions Tuesday for rural agency managers. Left to right—F. W. Darling, Bankers Life of Iowa, Cedar Rapids, Ia.; R. R. Stotz, Mutual Benefit, Grand Rapids, Mich.; V. E. Beamer, Equitable of New York, Jacksonville, Fla.

you know because you own your home or automobile, children's associations, civic organizations?"

Before the man is permitted to start in the field he must submit a list of 25 names giving age, number of dependents, etc., and then he must submit ten new names each week. Up to this point the rate book is ignored. An effort is made to impress upon him the fact that he does have a way to get prospects and that he can recognize life insurance situations. "It is just a matter of gathering the news," he said. "We want to give each agent some task he can perform successfully. We don't want to choke him to death with ideas and information."

In answer to a question he said all new men are brought into the Kansas City office for three days. Then the agency conducts a sales school nine times a year. In answer to another question he said he pays the transportation expenses. The men form parties and travel by automobile. Mr. Hedges buys the gasoline. When there is a contest the winners get something extra. These meetings are on Saturdays, individual conferences being held in the morning. A Dutch lunch is served in the office and in the afternoon there is a general sales meeting. He said his problem has been aggravated this year

because of the drouth. There will have to be more intensive individual supervision to keep the man on the job and to be sure he has plenty of prospects.

J. F. Trotter, Mutual Life of New York in Kansas City, exhibited a chart showing how he analyzes his territory as to the buying power of the various counties. The marginal counties are not cultivated intensively. He depends on inquiries in those sections from men who desire to be part time agents. Efforts are concentrated in those counties with the heaviest buying power.

W. A. Fraser, Bankers Life of Iowa, Lincoln, Neb., said in doing joint sales work with agents he avoids "cleaning up" all of the agent's prospects. He attempts to leave the agent with more prospects than when he arrived. He keeps in contact with his agents through bulletins. He often sends books or articles to his men asking for their criticism of the material.

Although the territory is vast, the agents all come to the sales meetings in Lincoln. The expenses of contest winners are paid during the trip. One problem has been a let down in production the first week after an agency meeting. This was overcome by requiring the men before leaving the meeting to prepare a list of 25 names

(CONTINUED ON PAGE 27)

Agency Heads of Cities in Confab

Methods of Agency Management Are Exchanged by Leaders from Various Points

STUDY TRAINING SYSTEMS

Clay Hamlin Says Agents Are the Ones Who Keep Bosses in Their Jobs

Many specific ideas that have been tried out and proved of value in agency management were brought out in all the divisions of the managers' session devoted to the problems of urban agencies.

In discussing methods for stimulating agents, Wallace Watson, Connecticut Mutual, Boston, said the agent must be willing to accept stimulation for it to have the proper effect. It is necessary to get him into the state of mind where he is willing to be improved.

On the subject of agency meetings, he said many agencies hold them merely because it is the customary thing to do and on Monday because everyone else does. The agents in one organization recently requested that the meeting be changed to Wednesday, stating that they needed stimulation in the middle of the week rather than on Mondays. He said such meetings must have certain characteristics:

1. They should center on a certain specific sales idea. One used by his agency recently was the use of personal cards of introduction to a prospect. Many of the agents were not sold on that idea. He had a man demonstrate their use and then he told of the results secured. Due to this meeting, the agents adopted the idea themselves and not because the manager told them to.

2. It should be closed by a sound note of encouragement to the men—not "pep" talk or ballyhoo.

3. It should include a round table discussion. The greater the number of men participating, the greater will be its value. He gave some suggestions of somewhat similar character in regard to company conventions, emphasizing that the competition during the qualification period usually raises the standard all along the lines.

Contests Should Be Properly Launched and Kept Going

Contests, he said, must be properly launched and not allowed to drift and die a natural death. There should be recognition for as many of the leaders as possible and the prizes should be worth while. His own experience has been that they increased production 25 to 40 percent. He mentioned in that connection a night work contest, conducted by one agency, in which the agents worked in pairs, resulting in sales of over \$200,000 to 87 night workers in one night. He also commented favorably on the idea of company contests, citing the military contests conducted by his own company, which smashed all records and showed increases in production for three months afterward, proving that there was no let down at the conclusion of the contest. Company clubs are also helpful, as there is a favorable reaction on the

2nd Day

part of the agents to the idea of special stationery and titles. He favors prizes that the agent can take home. Then his wife will help him.

He also took up the stimulation afforded by bulletins and magazines and told of the experiment tried by his agency in putting out its bulletin in regular newspaper form. It's human nature, he said, to thrill at seeing one's name in print. Telling how certain members of the agency made unusual records in sales, prospecting or other activity is news to the members of the agency. These suggestions were also applied to company house organs.

Stimulation Effort Needs to Be Well Organized

Anything that shows the agency or company is a live organization is worth while. The agent is stimulated by being a member of a going concern. All these stimulation efforts, however, must be part of a well formulated plan. The manager cannot sit down at 8 o'clock to decide what he is going to talk about at an agency meeting to be held at 9 and he cannot decide one week that he will have a contest the next.

The personal side of stimulating agents was discussed by J. S. Murphy of the Clay Hamlin agency of the Mutual Benefit Life in Buffalo. He said that some managers don't spend enough time with the man in the field. "He's the man who's keeping you on the job," he said. He also expressed the opinion that too much time is spent to get the agent to do things the manager's way instead of finding out what methods he can use to the best advantage in his particular case. "Have him and his wife in your home and show him that you are really interested in him. To be stimulated ourselves is the only thing that will stimulate the other guy."

Daily Reports Help Head Off Prospective Slumps

The use of daily reports to head off prospective slumps on the part of agents was explained by Holgar Johnson. He has these reports tabulated, showing each man's record for the last eight weeks. If he fails to get enough interviews in proportion to the calls made or enough sales from his interviews, there is something wrong either with his prospecting or his presentation. Where conditions of this sort are found, he gets a small group showing the same sort of deficiency together for a sales clinic, to find out what is wrong and how to correct it. Sometimes when a man's production is up there is a most serious danger of a slump, if his record of prospects is not keeping pace with his sales. That means that he is cleaning up what he has on hand and will soon have nothing more to work on. When the sales presentation is found to be at fault, it may be that he has forgotten some of the things he should be doing, or that he figures he has become good enough so that he doesn't have to pay attention to the old routine any longer.

Measuring Stick for New Agents Explained

In explaining his use of a "measuring stick" for new agents based on qualifications rather than the qualities which are regarded as essential to success, W. H. Beers, New England Mutual, New York City, said that if men haven't been able to do a job successfully in the past, it is very doubtful about the future. If they have, he is willing to take a chance. The points on which he grades the prospective agent are:

1. Material—knowledge of life and business. He prefers men between ages 35 and 40.
2. Success in previous occupation—preferably men with broad experience and with a good sized income, \$5,000 to \$10,000.
3. A trained mind—education, study habits, ability to think.
4. Contacts—How many people does he know within a radius of 50 miles? Mr. Beers said a man really must have

lived five years or more in New York City to make good there.

5. Financial ability—saving money, use of budget.

6. Home situation.

These are all, he said, a matter of facts and not of judgment. Any man who grades below 70 percent on this test won't do. Last year 18 men who had qualified on this basis were put on and 17 are still with the agency, this year 10, and they are all still there.

Julius Eisendrath, Guardian Life, New York City, in telling of his prospect-mindedness, which results in his bringing up the subject from talking to men on other subjects, says that he tells them: "You know that only a small percentage of men make good in life insurance. That is because too few good men get in. What we need are men of your type. You undoubtedly know of someone that might fit our requirements."

In telling of the methods he uses to

get his agents to bring in new men, Holgar Johnson said that the supervisors in his agency contact every agent in that connection every few months and that personal contact is the only way to get results along that line. The agents are asked to go over the list of men they have solicited. There may be some who seem to be men of considerable ability, but who said they could not buy because there was no prospect of a raise in their present positions. He doesn't ask the agents to bring in the prospective agents, but to take him out to meet them.

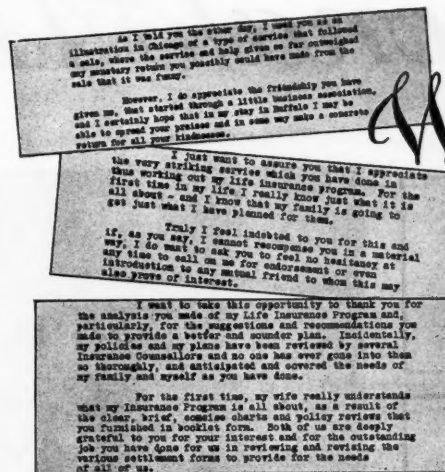
Another plan used in his agency which covers a considerable territory in western Pennsylvania, is to spot a certain area in which he believes the agency should have a man, and then contact with a half dozen successful business men in that territory asking them for a person of a certain type.

T. G. Murrell, Connecticut General, New York City, who was presiding at

the session on recruiting, said that one agency permits only a few of its better men to recruit. The agency tells one of these men: "You are the type of man that I want to use as Exhibit A." He then sends this man with a letter to some center of influence stating that he wants the one to whom the letter is addressed to see the type of man that is desired in his agency.

Tells of Building Agency by Use of Reference Cards

Robert Judd, Phoenix Mutual, Chicago, told of his use of the reference card method in building up his agency when he first went to Chicago. He found that most of his own contacts and therefore most of the agency prospects he uncovered were in the section of the city where he lived. He therefore got a number of his agents to give him introduction cards to some of their clients on which was written: "I hope you can give a couple of minutes to my



Excerpts from actual client correspondence

What the Public Thinks Is a Good Measuring Stick

It is one thing for a Company to extol the value of its sales program . . . But

When the sales organization accepts it with real enthusiasm and increased activity and sales that means something.

The real test, however, comes in the reactions of the buying public.

Planned Estates . . . we think this sales plan which has increased the business of the Company three times the average gain for the country, has merit.

The salesmen who find that it increases the average size sale, cuts down the number of interviews required for a sale, and solves their prospecting problem, believe the plan has a lot of merit.

But . . . when the man on the receiving end of the plan . . . Mr. John Q. Buyer, becomes so enthusiastic about it that he writes unsolicited letters to convey this feeling, and gives as many as 25 "referred leads" to the salesman . . . well, we know the plan has a whale of a lot of merit.

(Anyone interested in reading about the Planned Estate idea may have a copy of the booklet, "Planned Estates", merely by writing for it to Cecil C. Fulton, Jr., Superintendent of Agencies.)

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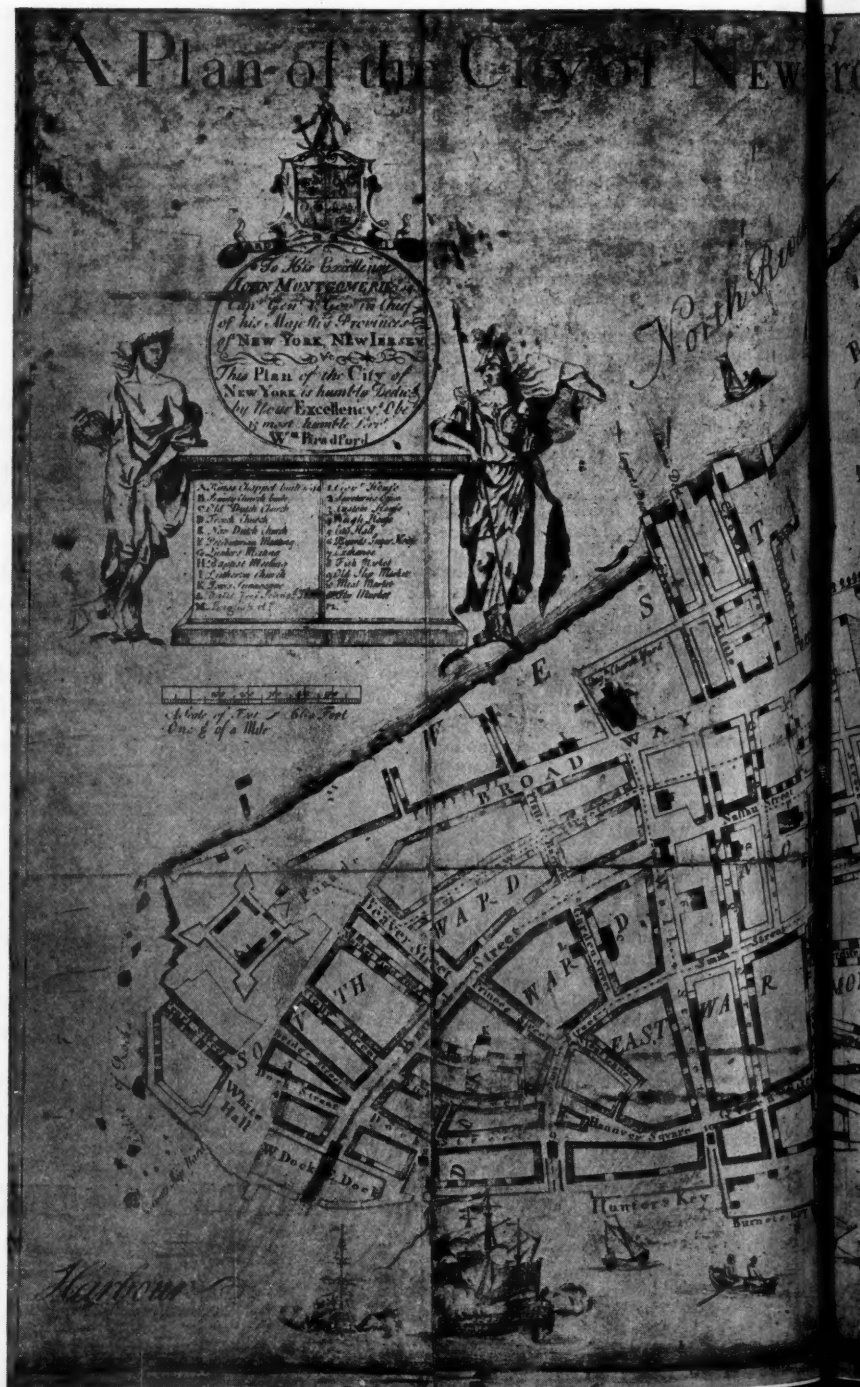
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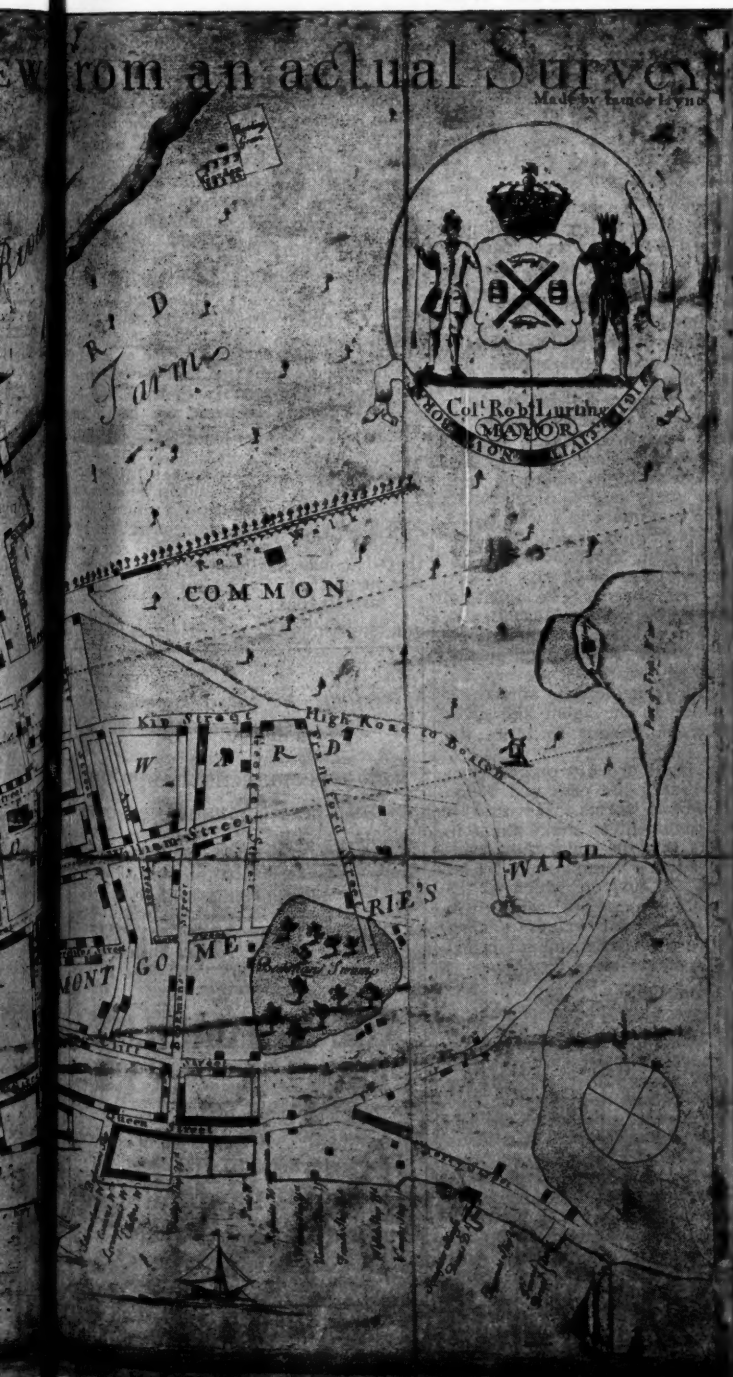
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MANAGER

*Mutual Life Insurance Company
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A well Diversified Line of Modern Policy Contracts, including Juvenile Policies, Retirement Income Policies, Salary Savings, and all Types of Annuities, enable our Representatives to render the Insuring Public the Best in Life Insurance Service.

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Galveston, Texas

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Shearn Moody, Vice-President

F. B. Markie, Vice-President
W. J. Shaw, Secretary

E. L. Roberts, Vice-President (In Charge Ordinary Agencies.)

MAKING FRIENDS

AT Convention when you meet and shake hands with a man you speedily learn his company connection and if a friendship is struck you soon learn much about that company.

An institution cannot physically come to Convention, but you can meet Fidelity and become better acquainted by reading the little booklet it has prepared just for purposes of introduction.

The booklet is called "The Company Back of the Contract" and we will gladly send a copy to anyone who is interested.

A company, like an individual, is helped by its friendships. The Fidelity welcomes new friends.

THE FIDELITY MUTUAL LIFE INSURANCE COMPANY

PHILADELPHIA, PA.

WALTER LE MAR TALBOT, PRESIDENT

chief." He found this contact with his agents' policyholders very valuable aside from getting some good agency prospects.

On the question of financing agents, Mr. Murrell said that if the agency gets enough men from whom to select, it is possible to get those that have a financial backlog. He will not take on any man who cannot finance himself for a few months. He told of one man who, when asked how much his living expenses were, said \$285 a month. He did not have enough money to finance him at that rate of expenditure for three months, so Mr. Murrell told him it was too much and advised him to cut it down to \$100. Later on the man came in and said that by moving in with relatives he had been able to cut his expenses down to \$85 a month. He started in, and in a year and two months was in his own home again, averaging \$300 a month in income and back ahead of where he was in his former connection.

Mr. Murrell also emphasized the need for follow-up in the case of desirable men who are not signed up immediately. He got together nine pieces of literature which might be useful in selling such a man on the business. At the time of the interview he gives him one or two of them. Then he arranges for his secretary to send out the others two or three days apart, so that the matter will be kept constantly before the man's mind for some weeks and may result in bringing about a favorable decision.

"If we will follow up the men we want instead of taking men we can get, you and I can get good men," he said. "Then give them proper training, see to it that they are making money, and the others will be seeking us."

Interesting Survey of Financing Operations

The survey of financing operations in his agency presented by A. P. Shugg, Aetna Life, Detroit, covered loans of \$60,000 over a period of four years. He remarked at the outset that he did not finance notes of any kind. "If I have no money," he said, "there is no financing. I have no notes in the bank to cover any financing operations, and never shall have."

The survey embraced loans made to 73 men, averaging about \$900 each. He divided them into three classes, straight advances, collateral loans and \$5 and \$10 cases. The straight advances were made to 20 men, aggregating \$9,875, on which the maximum loss was \$4,755, "proving," Mr. Shugg said, "that my guesses were just about 50-50."

On collateral loans of \$24,989 he said he had not lost a cent. The collateral ranged all the way from a \$10,000 stock certificate to a watch. At one time he had a half dozen automobiles in his name. Whether or not it covers the amount of the loan, he gets something that is of value to the agent and gives evidence that he intends to retire the loan.

The small loans are \$10 on the closing of an ordinary life case and \$5 on term or modified forms. He said it was more convenient to make them in even amounts than to make them conform to the agent's commission. These loans totaled \$27,408, on which \$2,183 is now outstanding. He said there were enough renewal values against these to retire the whole amount in six months if he should close up shop.

Loss Sustained Only 15 Cents per \$1,000

The loss sustained had been but 15 cents per \$1,000. The Research Bureau figures show about 20 cents on the average and he said for the last few years he believed the figure would approximate 25 or 30 cents. The loans have averaged \$2 for every \$1,000 and the turnover has been about 1½ times per year. On that basis he made an estimate of the minimum capital on which financing can be done. In a \$10,000,000 agency that means with loans of \$20,000 a year and with 1½ turnover, about \$13,000 in cash actually tied up.

With a \$5,000,000 agency it would be between \$6,000 and \$7,000.

He said the same problem is involved as with any man who used capital in his business. Money should be set aside for this specific purpose and the manager should not feel badly if he encounters some loss. On the basis of his own experience, it would mean that a \$5,000,000 agency would have \$1,000 to charge off at the end of the year—and it should be charged off, he said. He declared that it was no worse to spend the money in that way than for direct mail, service to agents or additional space. The manager is certainly as well off, he said, as if it had been spent for travel and entertainment, items which account for rather large figures on many an agency's balance sheet.

C. B. Stumes, Penn Mutual, Chicago, who was presiding at that session, said that financing an agent who has a going business and a good record for persistence has good collateral behind it. It is ordinarily to a man's best interest to invest his money in the business he knows the best.

The problem of financing a man who is just entering the business is entirely different. To finance one who is just entering the agency is gambling pure and simple, but if the new agent has gone through the training course and the general agent has worked with him for three or four months, it is a case of backing his judgment.

Agents Seeking Other Jobs Held by Drawing Account

George J. Kutcher, Northwestern Mutual, New York City, said his agency lists every three months the renewal value of every agent's commission and can tell pretty well from that how much can safely be advanced to them. With the newer men, he said the general agent must be alive to the fact that many of them who have not reached the point where they are really making a living are looking for other jobs and the only way they can be held for the agency is through some form of financing.

He cited one particular case of a man who came to him and told him he had decided to take a job with the CWA at \$3,200 a year. He said he had been making only \$40 a week for the last two years and couldn't live on it. Mr. Kutcher agreed to give him a drawing account of \$— a week and in addition to pay him half of all first year and deferred commissions, all renewals to be credited to the account. The result is that that man has been brought into active production and paid for \$150,000 in the last six months.

The tabulations of renewal equities

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are furnished to all agents and show them, Mr. Kutcher says, even though they are starving now, that they are potential millionaires. It makes them feel good, even if they can't pay the rent.

Mr. Stumes cited the case of a graduate of the University of Chicago who had formerly worked in an investment house and saved enough money to work his way through college. He said that after his training was completed he expected to be on his own, but that he needed \$15 a week for the three weeks' training period.

"What would you do about it?" he asked, and there were dozens of shouts from the crowd: "Give it to him."

"Sure," Mr. Stumes replied. "When a man has a sales talk like that, we want him." He went on to say that in his first week in the field this man secured four real prospects and the superior who went out with him sold three of them, "and of course I had my \$5 back right there," he concluded.

Unusual Financing Plan Described by Paul Clark

An unusual financing plan that has been used in his agency for the past 12 years was described by Paul F. Clark, John Hancock Mutual, Boston. The agent is required to give a surety bond for the probable amount of the advances, \$1,000, \$2,000 or \$3,000, with two signers, on whom a credit report is obtained. He signs a note which is discounted at the bank the first of each month, covering the amount he is to receive each week of that month. All commissions are deposited in a special fund. A letter is written to the sureties thanking them for giving the man an opportunity to enter life insurance, pointing out that each one is liable for the full amount of the bond and expressing the hope that their interest in the new agent will enable him to come through. In only two instances has the agency had to call on the signers of a bond to make good and one of those was liquidated later from the renewals. The agency has set up a contingency fund which is sufficient to liquidate the entire amount outstanding, now about \$15,000.

Holgar J. Johnson, Penn Mutual, Pittsburgh, asked Mr. Clark if he ever met the bondsmen. He said that he did in some cases and it is often of value to do so. Another question by Mr. Johnson was whether the bond is continuing or for a limited period. Mr. Clark said that it is for an indefinite period but either party can give 30 days' notice of termination. In response to still a third question he said that he never advises the bondsmen of the amount outstanding, but they often check up with the agent.

Properly Investment of Agent and Not Agency

Another question was: "If it is a good investment for two prominent citizens of your community, who are making no profit, why not for your company or your agency?" Mr. Clark said that the company cannot do so under the law and that so far as he was concerned he did not have enough capital when the plan was started to do it himself. He declared furthermore that it is the agent's investment and not the agency's and if he can't get two men to sign for him, he is not good enough to get into the business.

The question was also asked as to whether a check is made on the guarantors. He said that it is in some cases and should be in others, although if the contract has been in force any length of time there are enough renewals in the fund to liquidate it. Some of these bonds have been in force for seven or eight years. Even though the agents may no longer be drawing against the fund weekly, they leave it there for emergencies. The average is from \$1,000 to \$1,500. Few cases get up to the limit, although there have been some that have reached the limit and have

had to get a separate bond. In that case notice is given to the signers on the first bond.

Mr. Clark said that a man on a drawing account or salary basis is easier to handle than one on commission, in which opinion Mr. Stumes concurred, stating that he has to conform to the regulations and has to settle his premiums in full, not merely the net.

Career of Vice-president Schrivier Is Presented

(CONTINUED FROM PAGE 4)

Mr. Shriver first became a member of the official family of the National association at the convention in Pittsburgh in 1931. At the San Francisco convention a year later he was elected fourth vice-president and last year at Chicago became second vice-president.

Earlier this year, when Arthur Holman, who has been first vice-president, requested that he not be considered for an official position this year, the Peoria people came out for Schrivier for vice-president. Shortly thereafter the Chicago contingent put A. E. Patterson in the race against Mr. Schrivier and that started the fireworks that culminated in the wild election in Milwaukee when

Mr. Schrivier was nominated by the national council by a vote of 43 to 42.

Mr. Schrivier is serious minded and earnest. He holds an audience with his straightforward and informative delivery. He is a born association worker and he will provide sound and sober leadership.

Hard to Separate "Sheep and Goats" for Balloting

As a result of the hectic political situation that prevailed when the balloting on nominations started at the national council meeting, great precautions were taken to separate the sheep from the goats. The entire center section of the room was cleared and those who were entitled to votes were herded into that space as their names were called. A fence of chairs, with their backs toward the reserved space, was constructed and James G. Callahan of St. Louis, who was picked for secretary of the National association in that balloting, was made the guardian of the sacred precincts. He had great difficulty in keeping the fence intact, as voting members of the council would push their way through to speak to someone on the outside and leave a gap in the fence, allowing some

stragglers who were interested in the proceedings to sift through to a place where they could get a closer view of what was going on.

Puerto Rican Interesting Figure at Big Convention

Mariano Pesquera, general agent of the Bankers National Life in Puerto Rico, who arrived Wednesday in time to attend the Million Dollar Round Table, was one of the interesting figures at the convention. He is a graduate of the University of Michigan but has always made his home in Puerto Rico and qualified for the round table by production in that island, with over \$1,000,000 in paid-for business.

He spoke briefly at the round table session telling something of his island home and the conditions and problems there. When he returns home he will have been gone over a month, traveling over 6,000 miles by airplane, steamer and railroad to attend this convention. He is a man of wide interests, whose hobbies include fishing, hiking, photography and wild duck hunting. He has been prominent in insular politics and at one time served as prohibition director there.



A Dream Fulfilled

—for twenty-six years the builders of the Peoples Life Insurance Company have striven valiantly for the fulfillment of a dream—an insurance company built to keep the faith of the institution of life insurance and one ready to continue indefinitely complete protection for its policyholders and agents.

—cold figures showing the achievements of the past year, and years, are proof of a dream fulfilled, of uncompromising standards of business honesty, unselfish desire to be of service and the triumphant fact that the Peoples Life, sturdy as an oak, stands ready and able to continue its function of protection.

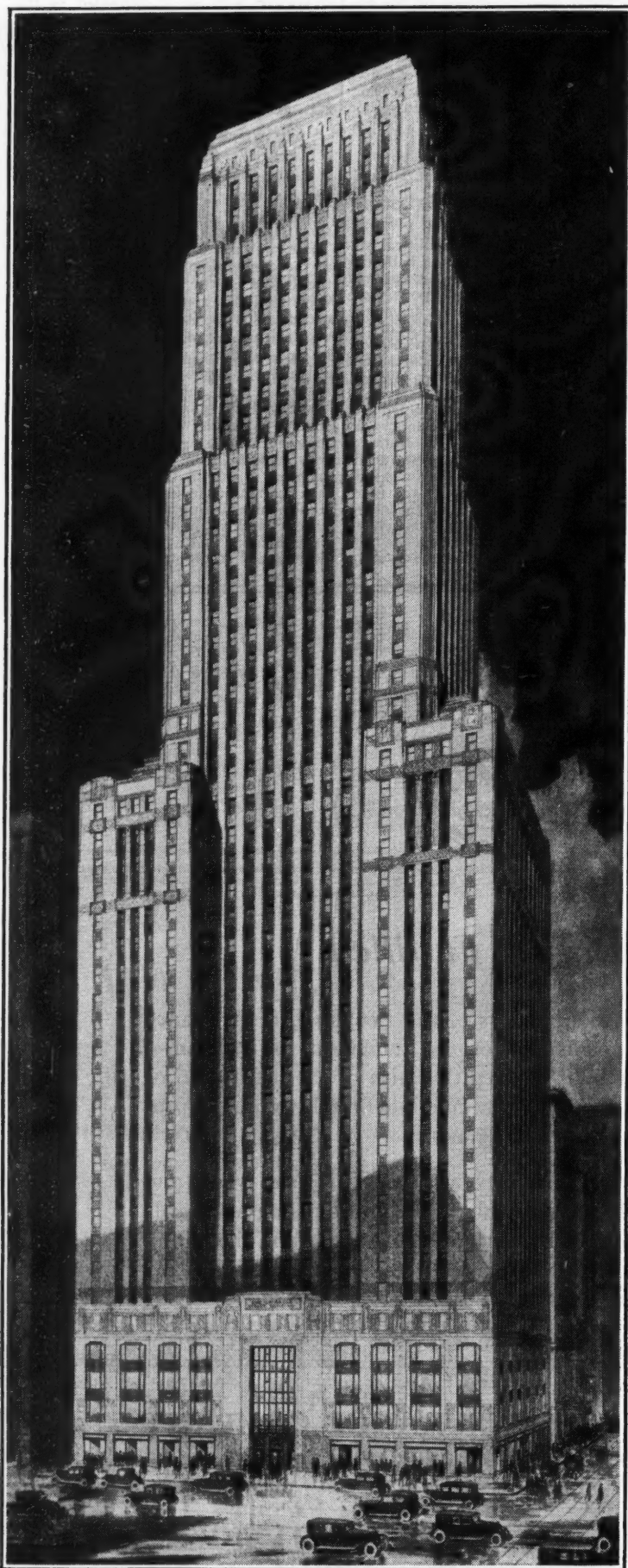
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Complete equipment for educating and assisting brokers and agents.

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- Congratulations on the unbounded opportunity that awaits you now, as slowly, surely, America regains financial balance.
- In the diary of the years of chaos there is one glorious, golden page—the record of LIFE INSURANCE STABILITY.
- When the story of these recovery years is written, another shining chapter will appear—for modern policy equipment, through personal solution of personal financial problems, now is carrying to new heights the art of LIFE INSURANCE SERVICE.
- In tune with the theme of this expansion era

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Home Office— Los Angeles, California Offices in Principal Cities in 43 States Assets— Over \$198,000,000

Women's Round Table Launched

Miss Corinne Loomis, John Hancock, Boston, outlined three salient points to success for the woman agent in her pep talk at the first meeting of the women's round table Wednesday morning. Miss Loomis, a partner in the Paul Clark agency, where partnership is dependent on personal production, believes that a woman's potential earning capacity in the producing end of life insurance is even greater than that of men. This has been proved in her agency, she said, where in 1933 she and Miss Martha Boott showed the greatest amount of production. This was a cheering statement for the 41 women agents who were in attendance and who interrupted Miss Loomis' talk with many apropos remarks and interrogations.

Agreeing that a woman to succeed in any business these days must be better than her masculine competitors, Miss Loomis declared that time control, a chosen hobby and a C. L. U. degree are the primary prerequisites of the successful woman agent.

Time Is Capital of the Agent, She Asserts

"Time is your capital," she pointed out. "Decide what it is worth per hour, make a definite plan and work according to that plan, clearly, concisely. With a passion to succeed, a willingness to sacrifice secondary to first things and a practical idealism which never allows you to sell anything you wouldn't buy yourself, the woman agent lays the groundwork to a prosperous career."

A woman's worst fault in Miss Loomis' opinion is her inability to play. Unless you have a hobby and learn to play at it as hard as you work at your regular job, you won't be able to put pep and punch into your business, she told the woman agents. If you have regular play time, you'll arrange your work time to better advantage, she said.

Studying for a C. L. U. degree, she emphasized, affords discipline, increased knowledge in the job of selling, more respect for your job and the ability better to service your clients. Eventually the agent without his degree will be like a physician who hasn't passed his state examinations. Miss Loomis herself, who has been in insurance 15 years, was the first person in New England to get her C. L. U. At this point in her talk she was interrupted from the floor by Miss Sara Frances Jones, Equitable Life of New York in Chicago, who told the women that the year she took her C. L. U. degree, in 1930, was the only year she made the million dollar club. Miss Jones said she studied 22 hours a week in order to pass the examinations for the entire course in one year, and she was never so glad of anything in her life than that she had worked that hard and received her C. L. U. for it.

Roger Hull Delivers Address of Welcome

Miss Sophia Bliven, manager, women's agency, Penn Mutual Life, Philadelphia, was praised for her efforts in forming the first woman's committee in the National association by Roger B. Hull, who made a short address of welcome at the opening of the session. Miss Bliven, besides being an indomitable worker in her own agency, is state chairman of insurance in the Pennsylvania state federation of woman's clubs and a member of the insurance committee of the National Federation of Business & Professional Women. She is constantly alert to further the cause of insurance wherever possible.

Miss Bliven, in cautioning her hearers that daily practice was necessary to skill in selling, disclosed that in her agency all the women meet for 20-minute sales talks before nine o'clock each morning.

Suppose, she illustrated, that Prospect Susie Smith on the previous day has failed to sign on the dotted line. One of us assumes the role of Susie Smith, and gives all her reasons for not buying

insurance. Each of the others listens intently to discover loopholes in Prospect Smith's arguments. By the end of our 20-minute session the agent who failed yesterday goes forth today freshly equipped to sell Susie the insurance you know she should have. Criticisms of the whole group help the individual agent tremendously, she believes, and each one by finding out how someone else sells is that much nearer her own objective: to grow, to gain and to maintain production.

Accused of Taking Too Long to Get to Point

Women are accused of taking too long to get to the point, she said, advising the agents to test their sales talks on themselves, in order to become clear cut and concise. In prospecting, the situation of every policyholder should be studied as to her specific needs and desires. The agent should decide whether her prospect needs a clean-up policy, a retirement income, readjustment, provision for children's education, a bequest, and decide in advance just what the next sale to that policyholder should be. She advised a handy card index system for future sales to people already on the books.

Clarence Axman, editor of the "Eastern Underwriter," the only man present at the meeting, asked Miss Bliven's permission to state that even though some men persist in thinking men do a better job, the majority are sympathetic with women workers and alert to their superiority in certain lines of insurance activity. Women, he claimed, should only try to work with men who understand and appreciate them.

Miss Bliven asked all the members of her committee to stand and be introduced. They were: Miss Jewell Preston, John Hancock, Cincinnati; Sara Frances Jones, Equitable Life, Chicago; Miss B. B. Macfarlane, Pan-American Life, New Orleans, and Mrs. Marie Parker, Equitable, Denver. Among those in attendance were Miss Frieda Archer, a delegate from Seattle; Miss Joy M. Luidens, secretary of the Chicago Association of Life Underwriters, and Miss Corinne Breeding of the Pacific Mutual, Oklahoma City, who before starting her life insurance career was for five years a member of the American Relief Administration at Riga, Latvia.

Due to the interest created by the first round table discussion, Miss Bliven announced that Thursday morning the round table would be held again, with the theme of "Prospecting" and Friday morning those who came for the breakfast discussion would exchange "Sales Suggestions."

Vincent B. Coffin Joins Press Table at Sessions

Vincent B. Coffin, superintendent of agents of the Connecticut Mutual, joined the press table at this convention. He is scheduled to appear at the concluding session Friday afternoon to give a summation of the program. He has undertaken that task most conscientiously. Although the manuscripts of most of the speeches are available to him, he is sitting through all of the sessions, taking notes and getting fresh, first-hand impressions from the spoken word. He will continue taking notes until it is his turn to give the address of recapitulation.

State Mutual Men Attend

Two assistant superintendents of agencies were on hand from the State Mutual Life, they being James Eteson and John Mix.

H. V. Wade Is Present

H. V. Wade, assistant to the president of the United Mutual Life of Indianapolis, faithfully attended the sessions.

WELCOME TO MILWAUKEE

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Service, Selling Go Hand in Hand

(CONTINUED FROM PAGE 5)

an objective, something to build to, something that he can ever keep in mind that some day he may have. And, from time to time, as his needs increase and as his circumstances improve, the sale is built up. It is built entirely around a life program.

In this sale I bring out three main points; the approach; the presentation; and, the close. It isn't likely that we would have the close without the presentation, and surely not the presentation without the approach.

The approach is simple in my plan. I ask the policyholder to give me an introduction. He gives me this introduction on this little card, which I furnish. I ask him to do this so that I can go to the other fellow and render the same service that I have rendered to him.

Once I have the introduction, the presentation is easy, and if made attractive and the program is arranged to fit his needs the close then becomes a matter of course.

I am particularly interested in the young men, because I have written so many of them at the University of Michigan. When the first application is written he may think that I am all through with him, but I'm not. I contact most of my policyholders personally. I send them change of rate letters, and I never forget a birthday card. They like it. If one of my men should miss a birthday card as one young man recently did in Buffalo, through some error of the post office, he made inquiry to see if I were dead.

In rendering service to policyholders and prospective policyholders there are five needs which I stress in my programs, which I am sure you are familiar with. First is a clean-up fund to take care of all his expenses; second, a mini-

mum monthly income for the wife until she is 55, with the proceeds payable to her on her option; third, a fund to retire a mortgage on the home; fourth, an educational program for his children; and, fifth, a retirement fund for the insured himself and his wife in their old age.

I have just come in contact with a bulletin from our Cleveland agency, and heading this list is a familiar figure who is a million-dollar producer, and he has had 34 consecutive weeks. This last week he wrote seven cases for \$15,325. That is a fraction over \$2,000 per case.

Now, as million-dollar producers we must admit the fact we have to take these small policies. This fellow has been writing policies, but I want to assure you that every one of them fits into a program, so he is building up. Every one of them has a specified need. And, as my old manager, Charles Warren Pickell used to say, if you watch these small ones, they make good chinkin'. They stop the leaks.

I have a chart here which I had made recently through the suggestion of George Lackey, which I think you will be very much interested in.

Analyzes Group That He Has Written Two Times

I have more than 2,000 policyholders, and out of this number I selected 100 whom I have written two times or more. The range in age is from 29 to 34, the average age being 31½. The average size of the first policy issued on this group of 100 is \$6,983. The average amount of each policyholder was increased to \$28,292, or an increase of 405%.

The policies increased in number from one to 3.26; the total number of policies

written was 326, and the total volume on this group of 100 now in force is \$2,829,237.

It is obvious that writing programs instead of writing policies does the trick and pays larger returns for the service and energy spent in the field.

I would like to call to your attention that, of this group of 100, I have received during the last ten years an average of \$244,279 per year of paid-for business, within \$5,721 of being a quarter of a million dollars a year average for ten years that this group has given me. This group will continue to increase each year, and I have 19 more groups that will continue, also, to increase.

In the last three years I have found it successful to use the interrogative approach by saying, "How would you like to have \$250 a month to commence when you are 55, 60, or 65 years of age?" Now, any representative here would know what the answer would be.

Gets Almost 50 Percent Replies From His Letters

I am writing letters to a selected group of my policyholders, asking them the same question. I have been astonished at the answers that I have been getting—almost 50 percent. It all goes to show that people nowadays are thinking of a safe place to put their money so that when retirement age comes along they will know where it is.

Here are some of the examples of the type of letters that I have received:

Mr. G. writes, "Yours of the 30th received and I would appreciate it very much if you would send me this plan which you spoke about in your letter, one that will give me \$250 per month commencing at age 65, which also has \$25,000 protection up to date of maturity."

Mr. B. writes, "Would be interested in a policy which would pay either myself or my wife \$250 a month commencing at age 55. Call me for an appointment." I wonder how many would wait very long to call that gentleman for an appointment.

Mr. S. writes, "I have your letter and I am interested in having \$250 a month to commence at age 60. I have always said that I would never buy any other kind of life insurance. Please bring along your plans when you come." I made a trip of 354 miles to write this gentleman.

Demonstrates Application of Psychology in Sale

In answer to a letter from one of my policyholders in a nearby city I just recently outlined a program for \$250 a month at age 60, although he asked that it commence at age 55. I used just a little psychology there, because the premium was a little lower, and at the interview I said to him, "Can you save \$150 a month?" The premium was \$1,800 a year. After a few moments he said, "Yes, I believe I can."

I picked up the tone of his voice, and in that I found that he might save a little more, so I said, "Just bearing in mind, now, that what you save here you are saving for old age retirement, don't you think you can save \$200 per month?" He thought for a few moments and said, "Well, that's \$2,400 a year. I believe I can."

"But," he said, "I want to know how much protection that will give me up to maturity, and how much the income will be at 60, and I answered him by saying, 'You will have \$32,500 additional protection up to age 60, and at age 60 will have \$325 per month for life.'"

After a few silent moments, he said, "What am I to do?"

I said, "Just write your full name right here, will you please?" and he did and I thanked him.

Now, I feel sure that everyone here, if you will use this interrogative approach and if you will serve your policyholders as you should, you will have a substantial increase year for year in your production.

CHAIRMAN T. M. SCOTT: I saw that photograph last night and it looked

so logical the way he explained how he works with it, I don't see how he keeps from writing insurance, and I certainly think his system is good. I notice that he also uses a silent method. Dr. Albright mentioned that he says nothing and lets the man think for a while. Caleb Smith says he lets the man think for a while. I suppose we all do that and let the man come to his own decision.

Would you like to have some discussion on this method or program of building up the young man to larger amounts of business on definite programs and also the middle aged man, will say, or the young man for old age income?

STANLEY E. MARTIN, Columbus, O.—We have just heard the letters that his policyholders sent to him. I would like to hear the one you send to them.

CALEB SMITH: I do not have a copy of it, but it comprises about two paragraphs. I say, "Dear Tom: How would you like to have \$250 a month commencing at age 60 or 65, which will also afford you protection of \$25,000 up to date of maturity?"

The second paragraph is, "Your rate changes on such and such a date and I shall be very glad to go over this program with you. Please let me hear from you by return mail." That is all there is to it.

CHAIRMAN SCOTT: You see, it is apparently very simple once he gets before the man. I do not think that letter is like the advertisement of the book. You know the fellow read the advertisement of the book and thought, "Gee, that is a fine book." He bought a copy and after reading it very carefully he wrote to the publishers and said, "All I wish is that the person who wrote the ad had written the book."

Commissioner Mortensen Extends Wisconsin Greeting

Commissioner H. J. Mortensen spoke on the first day. He extended greetings in behalf of Wisconsin. He said Wisconsin has the lowest mortality rate of any state and in coming to the state the members are increasing their chances of longevity. Life insurance selling ranks among the great professions. He urged the association to give consideration to the drafting of a qualification law. Insurance, he said, has come to the rescue of many in the past few years. It has brought courage and solace. It is a system of credit, or savings and a means of looking into the future.

Insurance will live as long as civilization itself, he predicted. The agent, if faithful to his calling, will never be among the ranks of the unemployed. Honorable men are required in the business. The supervisors always lean heavily upon the National association members in keeping the business clean.

He said he strongly favors use of a more simple policy contract. He expressed regret at the tendency of companies to make less liberal the cash surrender and cash loan values. The savings deposit feature of insurance has had a great appeal and he said the money should be made available to the assured when he needs it, as expeditiously and promptly as possible. He estimated in the past ten years there has been a lapse on the average of 50,000 policies a day. Some great corrective measure is needed.

V. P. Whitsitt, Wichita, then brought greetings from the Life Presidents Association. He was brief. He said during the first eight months of this year new paid for business exceeded that of last year by 13 percent, a record for which agents are to be congratulated.

Coolidge From Aetna Life

R. B. Coolidge, assistant superintendent of agencies of the Aetna Life, was the representative of the head office of his company in Milwaukee.

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Curious Trail of a Comet and Halley's World Related

(CONTINUED FROM PAGE 8)

what regions of the heavens the comets take their way, why they journey so far apart from the other planets, what their size, what their nature." Seneca, too, proved to be right.

Probably Halley had read what Seneca said. Perhaps it helped to fire his scientific zeal. Whether this was the case or not, his discoveries lifted a great terror from the minds of men. He delivered his own—and all subsequent generations—from an age-old fear. They now knew when and where to expect these celestial visitors. Halley showed that comets worked under fixed laws that could be determined. If they were not under human control, they were, at least, within the range of human knowledge. The inhabitants of this world had pierced the secrets of another and a very distant world. And when other worlds cease to mystify and surprise, they lose their capacity to terrify.

It was natural that an achievement so wonderful—one that liberated human minds—should have brought fame to the discoverer, and that his name should be forever linked with the orb whose vagrant journeys he was able so accurately to chart.

Halley had his head in the clouds, but he kept his feet on the ground. His interest in matters celestial was no greater than in things terrestrial. And his conclusions in one case were as final and as authentic as in the other. He was not content with charting the progress of the stars in the heavens; he applied the same meticulous study to the course of human life on earth. He had seen the first rude attempts of men collectively to provide for their families after their deaths, and had noted how every such effort was rendered futile, because of the lack of data as definite regarding human life, as he had found necessary in determining the course of the comet.

Produced Comprehensive Table of Mortality

So he set out to supply that need. He produced a comprehensive mortality table. He made sure that these figures made him as certain of what was happening on earth as he was of what was going on in the heavens. So he established a system that not only delivered many from the fantastic fear of occasional visitations, but the whole human family of one of the chief terrors of death.

His discoveries in mathematical science were more practical than and ultimately affected the lives of millions uninterested in and unaffected by his discoveries in the heavens. There were not at that time available in England vital statistics sufficiently complete for actuarial purposes. But over in Breslau in Silesia, the authorities had begun to record the births and deaths, together with particulars as to age and sex. Halley tabulated these. There had been an attempt earlier to make the same analysis from the mortuary returns of London but it lacked all the detail essential for the purpose. Halley's Breslau table was the earliest available that was drawn from actual experience. By 1693 Halley had completed his paper and submitted it to the government.

Britain Had Expelled Last of the Stuarts

Halley's tables, while they had a permanent value as the foundation for actuarial science, proved to have an immediate and outstanding value owing to the troubled condition of the time.

They were anxious days. Britain, weary of the misrule of James II, had expelled the last of the Stuarts. James had fled to France and William of Orange and Mary had come to the English throne by a bloodless revolution. But England was ringed with foes. James had been but a vassal of the grand

monarch, Louis XIV, whose brilliant ministers, Richelieu and Mazarin, had secured for France predominance on the continent. At home, politicians of both parties still conspired with the exiled James—not, as Trevelyan says, because they wished the return of the Stuarts, not because they expected it. But William of Orange was already weaving his diplomatic meshes to checkmate the grand monarch, and his brilliant chancellor, Montague, devising those financial plans which, with the genius of Marlborough, were ultimately to deliver England.

But Marlborough had not yet gone to his wars and given the names of Blenheim and Ramillies their proud place in England's rough island story. Montague still lacked the funds to send his armies to the low countries and implement the alliance which his sovereign was establishing there. He was cruelly hampered financially. Up to that time, there was no funded system of national finance. Loans to the government by individuals were made in anticipation of revenue, the capital to be paid back as certain taxes were levied. It was an uncertain and unattractive form of investment for monied men and a precarious basis on which to rely for such a struggle as lay before William and his advisers.

William's finance minister was at his wits' end for money. The budget needed for 1694 was enormous. An army larger than Cromwell had raised to repress rebellion at home and wage war in Europe and America had to be financed. Land taxes, poll taxes, salt taxes and stamp duties were all invoked. Even London's hackney coaches were taxed, and the exasperated wives of the drivers mobbed the members of Parliament. A great lottery was organized and an experienced and efficient gambler placed in charge. But all these plans still left the government short by over a million pounds of the sum required. Yet the existence of the Grand Alliance, the success of William's campaign against Louis XIV, and indeed the fate of William's own dynasty, to a degree, hung upon the successful issue of the loan.

King, Chancellor Turned to Astronomer for Help

It was at this point that Halley enters the picture. There is not much positive, but a great deal of circumstantial, evidence to prove that it was to the astronomer that the king and chancellor turned for help. William III was a Hollander. In 1670, when threatened with war by enemies who coveted her trade, Holland turned to the sale of life annuities to negotiate funds for military and naval purposes. These, the statesman De Witt, who was Grand Pensioner of Holland, declared were on an unsound basis and, employing statistics from many of the cities of the low countries, he had evolved sound interest tables and tables of mortality. When Holland was invaded by Louis XIV two years later, the Dutch people called William of Orange to power and in the riots following the revolution De Witt was murdered and his report suppressed.

The king knew of these tables and must have had them in mind as he prepared to float the famous loan known as the million act of William and Mary.

He and Montague also had knowledge doubtless of the work of Halley of a similar character, now about complete.

There is strong evidence that Halley was in close touch with the authorities. He was a Londoner with wealthy parents, a brilliant graduate of Oxford and member of the Royal Society, and had been sent by Charles II on a voyage to make a map of the heavens of the southern hemisphere. He was the close friend of Sir Isaac Newton, and when poverty prevented the author from doing so, published his "Principia." He was a

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favorite of other monarchs as well and served the emperor of Austria and the royal house of Denmark in scientific capacity. He even became drunk once with Peter the Great, who said he preferred him to any royalty he had ever met. Probably on that occasion the savage czar saw more stars than Halley ever charted in the celestial heavens. It is evident that the primary purpose which Halley had in mind in publishing his tables was military rather than scientific. Halley's own thinking is reflected in the language with which he introduced his tables. "The first use hereof," he said, "is to show the proportion of men able to bear arms in any multitude which are those between the years of 18 and 56."

New Avenue of War Financing Suggested

Halley's computations doubtless suggested to the quick brain of Montague a whole new avenue of safe and successful war finance. One can picture the chancellor's eager questioning of Halley across a 17th century dinner table in Whitehall and how the perplexed minister of finance seized upon Halley's discovery for his own ambitious purposes. Halley's tables formed a secure and scientific basis for raising a war chest on an annuity basis. It is significant that the year after Halley's tables were published, the million act of William and Mary was passed to provide funds through annuities for a war against France. The mortality table used under this act so closely resembles Halley's that it is generally regarded as his. On such a scientific basis, much of the reluctance of investors disappeared and funds flowed into the national exchequer. The sinews of war for Marlborough's victorious campaign were at last available. Halley's work became a vital factor in a series of events which marked the restoration of English prestige in Europe.

The next step was a natural but vital

one. There happened to be in London at the close of the 17th century a Scotsman. William Paterson, the Scotsman, had been to the West Indies, whether as a missionary or as a buccaneer, the records do not clearly establish. But this Scotsman got together the principal lenders to the government and organized them into the Bank of England. To the Bank of England the government gave the support of public credit in its banking operations with individual traders. The government and the city united in a new system of government borrowing on long loans. Under this system, the patriotic investor was able to do well by both himself and his country. If he did not wish to have his capital paid back at any near date, preferring to draw good interest on it for the rest of his life on the security of the state he could do so. Not only the Bank of England but the permanent national debt resulted and the whole fabric of stable national finance as we know it was created.

All this had a surprising and significant influence upon the course of public events. The East India Company was now nearly a century old and its profitable trading in Asia had brought opulence to many London merchants. Yet there were few avenues for safe investment. All subordinate offices in the service of the state were the subject of sale and purchase—sale by the patron, purchase by the incumbent. The value of a "place for life" depended upon the age of the incumbents, but there were no scientific means of determining the proper value. Church lands and houses built thereon were granted on lives—"leases for lives," usually three, on the death of the last of which the property reverted to the church and was granted, if at all, upon the payment of a considerable fee. Reversionary interests could not be accurately valued and so were the subject of speculation only.

Hence when the loan of William and Mary was floated there was a rush to take it up and it was oversubscribed in ten days. London merchants were, or course, the principal lenders. Through this means they became vitally interested in government finance and were thus bound to the Whig, or governing party, through their interest in its loan. They now had a selfish interest in establishing William on the throne and preventing the return of the Stuarts. Thus was restored the old alliance between the city and the government which had existed in arbitrary form through Burleigh in the days of Queen Elizabeth. Through that connection the dynasty of William was made more stable.

Made Contribution to Free Parliament and Press

Out of this striking series of events an even more significant thing developed. To make his rule secure with the people, William was obliged to accept the bill of rights, which, with Magna Carta, forms the foundation of liberty among those of Saxon speech. It marked a great constitutional advance whereby sovereignty passed from the Crown to the people. Those who paid the taxes, thenceforward had the sole right to impose taxes and, supplies were voted only from year to year to the Crown. Parliament, whether commons or congress, was henceforward a free parliament. In addition, the ministry was for the first time drawn from the party which was in the ascendancy in the house and left office or remained according to the relative state of the parties there. The press, too, was relieved from censorship and has ever since been free. A free parliament, a free press, national finance, public banking, representative government—to all of these Halley's discoveries made a definite contribution, inasmuch as he gave permanency to the rule of a sovereign, whose deposition would have restored the Stuarts and nullified the privileges obtained from the Dutch king.

So more than 200 years rolled around. Halley had predicted that his comet would return on Christmas, 1758. The date was remote enough to permit the

skeptical to scoff with impunity and 16 years before that time arrived Halley had had his rendezvous with death and had turned to dust. But on the hour and almost to the second which he had foretold, Halley's comet reappeared in the English skies and the people declared it was old Dr. Halley's Christmas gift to Merrie England and to science.

Civilization, meanwhile, had advanced to a highly sophisticated state. The earth had now become relatively old and populous. Men had ceased to fear comets. They had ceased to marvel at miracles because, forsooth, they had learned to work them. They had invented a device whereby they could actually speak to one another across thousands of miles of land and sea. They had developed fins and swam under the sea; they grew artificial wings and soared into the heavens. They had contrived devices so clever that food and clothing and fuel were produced in abundance for all men. They had constructed vessels so swift that distance began to be measured in terms of minutes instead of miles. They had reduced the world to the proportions of a neighborhood. Yet with all this amazing progress, their economic and social wisdom had lagged so far beyond physical achievement that want followed from abundance.

Coming of Comet Was No Longer an Omen

Science had put into their hands instruments and materials to move mountains. So when the century opened they had greeted it with a shout, because they believed that they were on the threshold of the golden age. But when the century was still young—scarcely ten years old—an extraordinary coincidence occurred. Halley's comet returned. That, in itself, caused little comment. It scared nobody. Someone had evolved a printing press and newspapers flooded the universe. So universal was knowledge that people no longer associated the appearance of the comet with all the grim portents which had terrified their ancestors. A few interested people, as I have already described, rose from their beds to witness the phenomenon. Perhaps it was seen by others returning to their beds from night clubs. There were articles in the papers and some incidental talk for a few days among those who had seen it. But it was not a new thing. Its coming had been foretold. It was no longer an omen, so it ceased to terrify.

There were, it is true, a few simple folk who still insisted that it was a sign that God had hung in the heavens and must forecast some dire events for mankind. The sophisticated, of course, smiled.

The simple folk proved for once to be right and to confound the wise. There broke on the world presently not only one but all of those calamities which comets had formerly portended. Comets, to the ancients, foreshadowed calamities that never occurred. But in 1910 it preceded calamities that none conceived or anticipated.

Instead of using these discoveries for constructive purposes, the human family had turned loose all these new devices in an effort to destroy one another, until all the people of the world had become involved in a struggle which took millions of lives.

In spite of marvelous advances in the medical art, a plague that looked like a common cold slew almost as many as the war. And to cap all these calamities, financial panic swept the earth and deprived millions of food and a means of livelihood in a world bursting with plenty. It transpired that in getting knowledge, people had failed to get wisdom or understanding, and some of the calamities which followed were the result of the stupidity or ineptness of the race.

Halley had not foreseen that kind of a world. There had been some suffering in London in his day due to the failure of the wheat crop down in Surrey, but now millions perished by famine and flood on the upper reaches of

the Yangtze, while huge stores of grain moulded on another continent and swift ships, ample to have transported these supplies to the relief of the sufferers, rotted in idleness at the wharves. Halley in his youth had heard the thunder of the Dutch guns destroying the shipping off Chatham below London. He had seen the men leaving to join Marlborough's army and to establish that army's historic reputation for profanity in Flanders. He had been one of those who had lived long enough to celebrate Marlborough's victories in the low countries where that great warrior commanded ordinarily only about 40,000 men and fought a major battle about once every two years. He could not have foreseen the war which followed the last appearance of his comet in which millions died and where practically every day for four years there was an actual engagement at some point between the Bosphorus and the Baltic or on some part of a battle line as wide as the world, whose guns, if in line, would stretch hub to hub, from the Baltic to the old Golden Horn. In his own lifetime Halley had seen the last visitation of plague to London with its 23,000 deaths. He could not have believed that in spite of the strides of medical science the war would have been followed by a plague so disastrous that its fatalities, compared to those of the Great Plague, were only fractional and almost equalled those of the great war. Perhaps, least of all, could he have foreseen the financial debacle and suffering and unemployment and death actually resulting from a superfluity of the products of the earth and the output of its mills and factories.

Logical Mind Couldn't Conceive Such a Race

In short, his logical mind could scarcely have conceived a race whose social and economic wisdom should have failed so pitifully to keep pace with its physical achievements. Could he have foreseen it all he might have felt that such a feckless and wanton folk would be profoundly grateful that a more leisurely and reflective age had given to the world a man such as himself. All their values were based on material things—wheat and gold and lumber—things the market values of which were subject to sudden and violent fluctuations due to scarcity or plenty, to changes in public taste, to new discoveries, or to altered conditions—often to arbitrary causes contrived by the cupidity of cunning men. And hence while the world was glutted with food and fabrics and fuel, millions hungered and shivered. Halley had been concerned in human values subject to no such fluctuations. And as it proved, it was a philosophy and a system based on human values that almost alone survived.

In the cataclysm that followed the appearance of his comet, many of the boasted things regarded as fixed and permanent tottered or fell. Stability, safety, security, no longer seemed to exist anywhere.

There was one exception. Those who had put their faith in the thing that Halley had found and that his successors had refined and improved and which had been accepted generally in the lands which spoke his tongue, found in that science something that survived the wreck of commercial structures and the crash of political and economic worlds. Where little else endured, life insurance stood unmoved, inviolate, impregnable, invincible. In the words of an old book, old even in Halley's day, "the rains descended and the floods came and the winds blew and beat upon that house, but it fell not because it was founded on a rock."

And the multitude marvelled, for they did not know that Halley and Pascal, De Witt and Price, and scores and hundreds of their successors had laid those foundations with scientific exactness as though in granite.

Indeed, most of them had never heard of Halley, and those who had, thought he only discovered a comet.

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The Bankers National Life Insurance Co.

for Service to Policyholders

\$66,701,189.00 in force

August 31, 1934

Jersey City, N. J.

Ruralites Discuss Small Town Jobs

(CONTINUED FROM PAGE 14)

that they would undertake to sell within 60 days and ten that they would attempt to sell within a week.

In answer to a question Mr. Fraser said the supervisor splits commissions 50-50 in joint work. So far as Mr. Fraser is concerned he gives the agent the full commission during the first six months but after that it is 50-50.

Mr. Hedges described how he gets his men to prepare a budget of their living expenses and beside that prepare an estimate of the amount of insurance that must be sold each month to cover the outgo. He introduced George Maltby, district agent at Kansas City, Kan., as a prize example of a man who had applied this budget system. Mr. Maltby is now paying for \$500,000 a year.

Herbert Hendricks of Decatur, Ill., inquired as to the reason why such a large proportion of the business is written by such a small percentage of the agents. "Are we failing to train the average man," he asked.

Mr. Hedges' reply was: "We should not crucify ourselves because of failures in our business. We are not out of proportion with other businesses. We can't make a success of a man who has been a failure in other fields. It is probably our fault for bringing such men into the business."

Ralph A. Trubey of Fargo Expounds Views

Ralph A. Trubey, Guardian Life, Fargo, N. D., brought up the question of splitting commissions in joint work. He insists on the agent splitting the commission after the first month. He asked for a show of hands. Thirteen indicated they require splitting of commissions from the inception. Three do so after the first month, two after the second month; fifteen never split commissions. Mr. Hedges said he requires a split after the agent has written three cases. Mr. Hedges contended that the general agent should be paid for his time and service. The agent should be made to appreciate the value of the general agent's time and effort.

Holgar Johnson, Penn Mutual, Pittsburgh, said he feels he does not have the right to demand a share in the commission because when he brings a man into the business he promises him a full measure of leadership and training.

Mr. Trubey argued that unless the agent is required to split, he will become a "leaner." Mr. Johnson voiced the opinion that it is a problem of management. Mr. Trubey said he does not require agents in Fargo to split commissions. That applies only to men in the territory.

On a show of hands about 40 percent of those in the room indicated they sold insurance jointly while the rest indicated they did not.

Franklin Mann, Northwestern Mutual, Omaha, said he is in the latter category. With a twinkle in his eye he said he doesn't go in the field and help sell because he doesn't like to do it. Those who know Mr. Mann, however, know that he gives his men rich training in other ways. He said that in joint selling the general agent is likely to put his personality over that of his agent, with injurious results.

Joint Selling May React in Different Fashion

Mr. Hedges said some people like to deal with "big shots" and are impressed when the general agent accompanies the solicitor. Others are likely to feel that with two men along a lot of money is to be made by the sellers. One of those at the meeting said in accompanying the agent, he always praises the agent to the prospect and deprecates his own position.

BEAMER'S GROUP

V. E. Beamer, Equitable Life of New York, Jacksonville, Fla., in opening the session on recruiting, said that the old trial and error method must be discarded in favor of a system of expert selection.

He called on O. Sam Cummings, Kansas City Life, Dallas, who said that in the last five years his agency has made contracts with 406 men in rural territory. Of that number 295 were recommended by present agents, 26 by policyholders, 13 by leading citizens, three by examiners and 59 were put on as the result of personal inquiries.

The recruiting methods employed included circular letters to leading citizens, classified "ads," display "ads" in rural newspapers, circular letters to policyholders; circular letters to examiners (the least productive of all methods), and efforts of general executives of the agency. Also district managers were made responsible for appointments. With the depression the district managers were not able to devote much time to recruiting, since it was necessary for them to engage more in personal production. Therefore salaried supervisors were sent out and their work has been effective.

Tests That Are Applied in Selecting the Men

In selecting a man, the question is asked whether he is well regarded in his neighborhood, this being a vital point in rural districts. Inquiry is made as to whether he has lived in the district long enough to be accepted by the citizens, this being important in the south. Is he willing to become a resident agent? Is he willing to study the

business? Has he had previous successful sales experience?

Mr. Cummings expressed the belief it is necessary to put on a good many part time men in rural sections.

Mr. Beamer remarked that with cotton on its way to fifteen cents and corn to a dollar, the rural sections will be most prosperous in the next two or three years.

A. W. Wilson, assistant manager Bankers of Iowa in Omaha, said there has been an absence of definite recruiting procedure and the various plans have not been coordinated. He suggested keeping a prospect file and a file of contact men. Advertising has not been effective as a recruiting method in his agency. If the circularization method is used he advised concentrating in a limited territory and following up promptly. Field work on the part of the manager or assistant—"beating the bushes" is one of the most fruitful methods. Then there are the personal contacts of manager and assistant. The best plan for his agency, he said, is the cooperation of the present agency force.

Mr. Wilson asked whether the man who has to be sold with great effort on the proposition of taking up insurance work is as likely to succeed as the man who makes the advances. The former, he opined, if he does not "click" at first is likely to recall his earlier mental reservations and is more apt to become discouraged.

Wants Man of Positive Type with Initiative

He said a man of positive type, with initiative and ambition is what is wanted. Experience with part timers has not been successful, he said. They are difficult to train and lacking training do not sell much insurance and not selling much insurance are not likely to take up the work on a full time basis.

He suggested that the manager make an analysis of his present force, recalling how and where each man was obtained. That should indicate that some one particular method, followed unconsciously perhaps, has been getting results. Thus that system could be more intelligently and aggressively applied.

Earl H. Schaeffer, Fidelity Mutual, Harrisburg, Pa., said his agents prefer to have visits from him rather infrequently than to see a supervisor every week. Therefore he does not employ supervisors. His objective is to maintain 10 full time men and that means adding two or three new men each year. He finds the personal contact method is best. He analyzes his territory as to occupational groups in looking for new men. Of the last few men put under contract one had been dealing in farm real estate, another was a partner in a wholesale notion house selling merchandise in farm sections, another was a small tobacco manufacturer.

H. E. Van de Walker, Ohio State Life, Detroit, said he visits a town, calls on personal acquaintances, and asks

them to recommend prospective agents. Instead of calling on the men recommended, he induces his friends to broach the subject to them. He returns to Detroit, communicates with the men who have been recommended, and "works them along" until they ask for a contract.

O. D. Douglas, Lincoln National, San Antonio, said the general agent should decide just what type of man he desires and then should adhere rigidly to that standard.

C. R. Garrett, Northwestern Mutual, Sioux City, Ia., remarked that every agent who is really in the business, is constantly coming in contact with good men and the agent therefore should help to build the agency as a part of his program of effort. The members of a growing, dynamic organization will be much more interested in this activity than members of an indifferent office. He said a supply of manpower has never been a problem with him. The sources have been the present agents and policyholders. He pays no bonuses for recruiting, has no drawing accounts and has had no losses on agents. Selection, he said, involves an inventory of a man's personality, a test of his imagination by telling him motivating stories and an examination of his attitude towards his own insurance.

STIMULATING AGENTS

F. W. Darling, Bankers Life of Iowa, Cedar Rapids, Ia., was in charge of the session devoted to stimulating agents. The first speaker was R. U. Darby, Massachusetts Mutual, Baltimore, who said he pays much attention to the atmosphere surrounding the agent. His wife's attitude is vital. To prevent the wife from developing hostility he caused the formation of an organization of the wives of agents, which is in the nature of a secret lodge. This has proved most effective.

L. O. Schriver, Aetna Life, Peoria, Ill., said he has charge of 77 counties. He divided his territory into seven districts, each being in charge of a \$100 a month supervisor. Each district has a quota of \$500,000. In addition to his salary the supervisor gets a 50 percent split in commissions in connection with joint work after 60 days.

S. W. Sanford, Prudential, Davenport, Ia., discussed stimulation through agency meetings. The type of meeting and the time it is held are important. His agency comprises 65 counties. Once a month the men come in. The program is carefully arranged—every man is given some part in it. Mr. Sanford opens with a ten minute talk, the preparation of which may represent a day's work, as he feels the way the meeting is opened is vital. Then there is discussion of current life insurance events for 30 minutes. Then there is consideration of the technique of the interview. After lunch the special month at hand is discussed. Expenses

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of the agents at the meetings are paid only once a year.

Mr. Darby remarked he has been putting each agency meeting in charge of different members of the agency.

A. W. Hogue, Business Men's Assurance, Dallas, said he always undertakes to present one brand new idea at a meeting.

A. H. Kahler, Indianapolis Life, Peoria, said in the past his Saturday morning agency meetings were started at eight o'clock. There were always some tardy members. He moved the hour to 7:30 a. m. and attendance has been 100 percent.

W. A. Fraser told of the care with which he prepares his agency bulletin. All negative thoughts are carefully deleted. It always contains some educational material. There is home office and agency information. There is some material of a motivating nature—sales stories, illustrations, etc. Through the bulletin, he said he has practically eliminated sale of term insurance. Sometimes a bulletin is written with the situation of only one man in mind. The arrangement of the bulletin is varied from issue to issue. The proper sort of a bulletin, he said, will build agency atmosphere. He said he doesn't have a bulletin board showing the production of the men, on the theory that it would damage the morale of the new men to find experienced men appearing as having sold only a few thousands of insurance.

Franklin Mann said he insists on his bulletin being typographically good. The multigraphing system is used. The bulletin, he declared, should be educational and newsy.

Woods Company Bulletin Published Every Day

C. B. Metzger of the Edward A. Woods Co., of Pittsburgh, said the Woods Company puts out a bulletin every day.

C. W. Rueling, Massachusetts Mutual, Peoria, said the best way to stimulate agents is to have them make money. His agency has 20 full time men. There are no supervisors. The management tries to develop self reliant, self confident men who will succeed under any and all circumstances. He does some joint work with the agents, but in an attempt to discover the man's faults rather than to try to write the case for him. The agent is urged to take the lead in the interview.

He said more attention must be paid to the finances of the men who are making good than of those who are not. A man who is making money is likely to be a good mixer, he is hopeful, he is a spender and is likely to get into trouble unless the brakes are applied.

E. N. Oistad, Guardian Life, Guardian building, St. Paul, said he tries to discover an agent's wants. The wife is quizzed as to this. He told of a man who had been producing \$200,000 but that seemed to be his limit. He was renting his home. Mr. Oistad induced him to buy a home. His production went up. He made the last payment on his home and his production flattened out. Mr. Oistad then caused him to buy an oil burner, then an electric ice box, then a more expensive car, always keeping him in debt so he would have to sell more insurance.

Mr. Oistad performs joint work for an agent. Whenever he does so, however, he makes the agent realize that it is a sacrifice on Mr. Oistad's part. For instance he was a day late arriving in Milwaukee. He stayed at home helping a man close a \$10,000 case. This makes loyal agents.

R. R. Stotz, Mutual Benefit, Grand Rapids, Mich., in opening the session on agency finances and budgeting, distributed charts showing a budgeting setup. The conclusion was that the presented commuted profit to a general agent on each \$1,000 of new insurance is only \$1.51. O. Sam Cummings told something of the cost accounting system in his agency. Bernard Stumm, Northwestern Mutual, Aurora, Ill., W.

Win Decision for Des Moines



Some of the Des Moines delegation that helped win the 1935 convention for their city: Left to right, back row—A. H. Pickford, Provident Mutual, former president Des Moines association; C. E. Brown, Mutual Life of New York, first vice-president; E. R. Gray, Prudential, national committeeman; Arthur J. Johnson, Yeomen Mutual, second vice-president; front row, left to right—J. A. Spargur, Bankers of Iowa, president, and Martin L. Seltzer, Aetna Life, chairman invitation committee.

H. Beers, New England Mutual, New York City, J. M. Holcombe, Jr., manager Sales Research Bureau, and A. C. Larson, Central Life of Iowa, Madison, Wis., were among the others participating in this discussion.

Supervisor's Work Highly Important

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finds that the old conception regarding a supervisor's work is rapidly disappearing. In some localities we have organized associations, but, generally speaking, we are not organized, with a result that we do not have a definite and uniform plan of work. Sentiment toward organized effort is growing rapidly.

Public Recognition Being Accorded to Labors

"This luncheon is evidence to me that the men in the field want to exchange views regarding the various phases of our work. The public as well as many home offices are beginning to recognize the good work which most supervisors and assistant managers are doing. You are the men on the firing line and when you succeed in reaching a given quota or goal, your return is the knowledge and satisfaction of having done a good job. Capable and sincere leadership will get satisfactory results which will aid in maintaining favorable public opinion toward our work.

"There are some underwriters today who could, if they wished to, become leaders of others. But because of a purely selfish belief, these men cannot see the possibilities of greater service in the work of a supervisor or assistant manager. They can make a satisfactory living in personal production and do not wish to be bothered by the troubles of agents. These facts cause many qualified underwriters to overlook our field of work. But let just one of these men multiply his social worth by as many times as he is capable of securing good men to represent the life insurance business and his worth becomes greatly enlarged.

"Immediately this underwriter's view-

point is changed and he develops into a field of service undreamed of before. May the scope of our work attract those underwriters who have leadership qualifications and get them to consider a field of service which offers so much to the individual and society.

"To be able to lead and direct others is an art, and is the greatest asset of any salesman. Our work is therefore a challenge to these underwriters who can carry on in a larger manner but who may be hesitant due to some fancied reason."

Gives C. L. U. Slant of General Agent

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great work for the company they represent.

"Since the beginning of the movement, the designation has been conferred upon 99 Equitable people. Today there are 90 C. L. U.'s in the Equitable ranks—36 doing managerial work, 6 in the home office, and 48 in the field. The 48 in the field represent less than one-half of 1 percent of the company's active underwriters, but the honor roll for the first seven months shows that the C. L. U.'s make up 8 percent of it. Of the 100 leading producers for that period, C. L. U.'s held the following ranks: first, fifth, twenty-second, thirty-third, fifty-third, fifty-sixth, sixty-third and eighty-third. Of the 100 leading agencies, 20 percent are headed by a C. L. U. or have a C. L. U. on their managerial staff."

On Threshold of Still Greater Agency Mortality

I have not made an analysis of the 41 C. L. U.'s in my own company; I wish that I had had an opportunity to do so. I do feel, however, that they are taking their places among the leaders, both in the general agency ranks as well as in the field of production.

Why do the general agents need C. L. U.? Because—"Most agents do not read the newspapers intelligently, nor are they well enough informed so that they can talk to business men in their own language. A knowledge of what is

going on in the business world and the consequent appreciation of their client's problems, enables the agents to devise new and better approaches and more effective ideas."

In addition, certainly the educational movement will stimulate persistency of agency personnel. The mortality is entirely too great. It looks like we are on the threshold of a greater agency mortality than ever before. There are certain factors, naturally, which affect this and we must look for relief.

We general agents realize that there is something the matter. I believe that the educational movement will help tremendously. Of course, we cannot give men personalities. That has to be born or built. We can give them some underlying educational principles which will add much. It has been well said, "Why should knowledge deaden ingenuity?" It should liven it.

Will you please notice the program that we are in the midst of here in Milwaukee. Every presiding officer both of the United States and Canada is a C. L. U. Our two presidents of these great organizations, the Messrs. Anderson, are both C. L. U.'s, which, in itself, is a coincidence. The same is true of Mr. Riehle and Mr. McSweeney.

In conclusion, gentlemen of the college, I hope I am speaking authoritatively for the general agent and giving his point of view, when I tell you that he wants something and needs something, and if education in his ranks is the answer, he's for education.

Necessity of Preventing Inflation Evils Is Told

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work. I refer to the effect of inflation on life insurance. Whether or not we are now experiencing inflation and whether or not we are going to experience it are questions which in my mind involve too much of politics for discussion at this time. However, there is no doubt that you are being asked the question as to what effect inflation will have on life insurance, and each of you have to answer this question, regardless of whether you are a New Dealer, and regardless of whether or not you believe there is any danger of serious inflation. How shall you answer it? One man says he will be better off putting his money into common stocks, only he will call them "equities"; another will say that he will be better off with his money in real estate; and a third may suggest scrap iron, or some commodity that we need and use every day. I am here to tell you that there is nothing your average policyholder can do which can protect him from inflation, unless he is sure (1) that inflation is coming, (2) approximately when it is coming, and (3) to what degree we are going to inflate. For the average man, protecting himself from inflation is like playing with dynamite and is as likely to be as disastrous as inflation itself would prove to the rank and file of our nation.

However, after studying the French and German inflationary periods of recent occurrence and the inflationary periods experienced by various countries in the past, I urge upon each of you the necessity of doing everything in your power to prevent inflation in this country. Remember that it is like a flood, in that the causes are generally rather far removed from the consequences and that if the causes occur the consequences can not be avoided any more than a flood can be prevented in the lower Mississippi valley if a week or so before tremendous rains have fallen in the upper Mississippi valley and in the valleys of the Missouri and Ohio rivers. It makes no difference whether you are Republican or Democrat, New Dealer, "Misdealer," Tory, or "whatnot," you should in any case be the sworn enemy of inflation. Remember that once well started it is uncontrollable, and that the consequences are not damages that can be repaired, but wreck and ruin which must be completely rebuilt.

Two Big Policy Sales Told at Millionaire Round Table

(CONTINUED FROM PAGE 5)

vantage. Anybody has, who has children or anybody else to whom to give gifts. She is entitled to \$50,000 under the present gift tax law, and \$5,000 for as many people as she wants to give \$5,000 to in any given year. Therefore, this year she has the right to give away \$70,000—\$50,000 and four times \$5,000.

Tax Is Paid in Bottom Instead of Top Bracket

She therefore can give away \$70,000 this year before she pays any gift taxes. She is going to divest herself of the single-premium life part of this S. P. A. combination. That she does immediately. She also divests herself of the old insurance, which has a value (each \$50,000) of only about \$4,000. She will therefore pay a very small tax, and here comes a point: I said, "Wouldn't you rather pay a gift tax of a good deal less than \$1,000 out of the bottom bracket than to have your estate pay an inheritance tax out of the top bracket if it is left in there?" That was a point well taken in the whole proposition. You see, by getting this out of her estate her gift tax comes into the bottom bracket, instead of leaving it in the estate in the top inheritance tax bracket.

You get four combinations there of life insurance and annuity, in which the life insurance returns in the ratio of 100 for 108 invested, and these four combinations are provided so that each one of the combinations will pay the premium on each of these four \$50,000 policies which she has divested herself of absolutely, even so far as to dividends received, and that is another very important point. Next year she is going to begin to divest herself of the annuity income; next she is going to assign absolutely these annuity contracts to these children, and these children, in turn, receiving the income, will pay the premiums on the old insurance.

Life Insurance Will Be Inheritance Tax Free

Therefore, what happens is that they will receive approximately \$1,600 to \$1,700 a year from the combination—the annuity income and the paid-up dividend. They will use that money to pay the premiums on the old insurance which she purchased three years ago. Therefore, they will have the old \$50,000 policy plus the life insurance involved in the new, which happens to be, as I remember, \$42,500 in each case. That insurance will be inheritance tax free because she is going to divest herself absolutely of the new insurance and she is also going to divest herself of the old insurance and pay the gift tax on the value.

She is keeping her \$250,000 of insurance instead of lapsing it, therefore we have conserved that insurance. We have shown her how with \$183,000 she can carry the old insurance which previously it took the income on \$350,000 or \$400,000 to do.

It is so good that the chairman of the board of this trust company asked me a lot of questions after I had finished, and he said, "I think I am going to fund all of my life insurance premiums on that basis." He got in touch with their tax department, and we are now in the process of making a proposition for him.

It is no tax evasion. We simply say that people ought to take advantage of their exclusions, deductions and allowances, which the government itself gives, and here is an opportunity, as we see it, to let income from annuities cover fixed charges.

One point that came up was the question of inflation. Somebody said, "Well, we are probably going to have inflation, and what does she want with an annuity if we have inflation?"

I said, "We mustn't forget that there are certain fixed charges that will be

payable in dollars, no matter what the purchasing power of the dollar is. What difference does it make, therefore, if the annuity income has a smaller purchasing power in the future, provided the dollars from that annuity income will pay for fixed charges of dollars which have the same value?"

They said, "Well, that is well taken," and that was the final straw.

Stuart Smith, manager Connecticut General, Philadelphia: When I was in personal production I very often ran into trouble on the stock purchase plan, where the corporation was for the most part owned by one man, with perhaps two accompanying key men, but still not large holders, and where that older man was too old or physically unable to be insured, and I had many catastrophes in that direction.

This year, through another approach, I stumbled on a solution for that which may, as far as I know, be in common use, but which has resulted in some very large business. We found a corporation where they had been making money—and there are still a few. When we arrived on the scene they were just in the act of paying out a \$300,000 cash dividend because they had to. They did not want to be subject to the tax for the accumulation of excess surplus. We also had the situation of the one principal holder who was to receive the lion's share of the dividend. We found out that he wanted this dividend for only one reason, obviously to add to his present income; in other words, to take the cash, invest it and add to his income separate and distinct from his business.

Key Men to Be Allowed To Purchase the Business

Also we noted immediately that a stock purchase agreement was rather necessary in this case, and, furthermore, that he had always had a hobby or an idea expressed in an agreement that he had tried to construct by which the two key men would be allowed to purchase the business or to own the business partly as a reward for services accrued and partly because it was a smart thing to do.

This is the solution: Instead of paying the \$300,000 cash dividend, which would have involved an income tax that would have been in the neighborhood of \$58,000, I think, this year, we sold him on the idea of taking a very small portion of the \$300,000 and purchasing an annuity on his life; in other words, have the corporation declare not the \$300,000 dividend but a much smaller dividend to him, with which he purchased a single premium annuity that would produce an income equivalent to that which he would have had, had he taken the \$300,000 and invested it; further, in order that the corporation would not lose any money, to take out on his life a single premium life insurance policy for the \$300,000.

Basis Employed in Arranging Program

He was 73 and I arrived at it by using the old combination single premium annuity and paid-up life insurance. He bought the annuity part of the combination and the corporation purchased the life insurance part of the combination. The life insurance part of the combination was then involved in the construction of the stock purchase agreement, which would be impossible under regular life insurance because he could not physically pass, and this combination, of course, is issued without examination, even though we use them in separate directions. They were issued as a combination and therefore he got the life insurance all right.

So far so good. Now we constructed

the stock purchase agreement and through this move we were able to write in this particular case—there have been several others—\$50,000 of life insurance, ordinary life, on each one of the two key men involved in this stock purchase agreement.

It is interesting to note that when we found they still had too much surplus in the corporation this year, so the two ordinary life policies were sent back and changed to single premium ordinary life policies.

Of course, it is limited to cases where there is money, but the corporation has no loss in assets because the money is transferred naturally from surplus to assets and in cases where applicable, certainly it will work very nicely.

It is also interesting to note in this case there was an immediate saving this year of I think, \$35,000 or \$40,000 of income tax and there was an inheritance tax saving involved of \$132,000. It is 50 percent of the amount involved that is saved by the process.

E. B. STINDE, Northwestern Mutual, St. Louis: I was wondering if the theory was, by reason of buying this insurance, going into the assets of the corporation, that you argued that that was money used in the business and would not be questioned, whereas otherwise they would have to declare that much out and be subject to the tax. Was that your argument?

MR. SMITH: The proposition is, they have to get rid of the surplus. If they don't, the government will take care of that. It is not surplus now. It is assets. That was the basis on which the sale was begun.

STANLEY E. MARTIN, John Hancock, Columbus, O.: Doesn't the man who owns all the income constructively receive that dividend when it is used to purchase him an annuity, and isn't it taxable?

MR. SMITH: Yes, I want to make that point clear; that instead of declaring the large dividend, a small dividend, enough to purchase the annuity, is paid to him as a dividend and the tax is paid. There was, in other words, I think, an \$8,000 income tax paid this year instead of several times that much, just the natural difference in the higher brackets between paying an income tax on \$40,000 and paying an income tax on \$300,000.

The principal holder immediately began to receive just as much income personally from the annuity as though he had received the \$300,000 and invested it.

MR. MARTIN: Why isn't the life insurance taxable as income, the premium he paid for the life insurance? He gives it to the firm, doesn't he? The corporation used in the purchase of the single premium life a portion of the combination, \$78,000.

MR. MARTIN: The corporation was the beneficiary?

MR. SMITH: That is right. Understand they had made that money this year. They had made profits, and, of course, on profits they had to pay the tax anyway, whatever it happened to be, but in addition if they had declared him the dividend, he would have had to pay a personal income tax, and that is where the saving comes about.

E. M. Lillis, Northwestern Mutual, Erie, Pa.: A few years ago, when corporations were failing, it was either due to business mismanagement or to their product becoming obsolete under present business conditions.

I have in mind one company in our city that had some financial difficulties. The bondholders owned \$100,000 worth of bonds. There was a preferred stock issue of about \$250,000 and some common stock. The preferred stock paid 7 percent and was a nonvoting stock. The common stock was a voting stock.

The arrangement was that they were to amortize the bonds at certain intervals for a period of years. It seems that they had difficulty in amortizing these bonds as per schedule, due to business

conditions. If they passed up the dividends on the preferred stock then the preferred stock became a voting stock, so they had a peculiar situation there. When I heard of it I went to see the officers of this company, who had never believed in any life insurance on any of their executives, and I told them that I thought I had a plan that might be of some solution to their organization, and that it wouldn't take very long to give them a brief outline of it.

The result of that was this, that instead of amortizing their bonds—and I might add there that the bonds were only upon their building and not any other assets of the corporation—we devised a plan, in preference to the bonds paying 6 per cent, for them to pay 4½ percent. That would enable them to also make reductions on the preferred stock by another 1½ percent, to bring that down to 5½ percent on the preferred stock and 4½ percent on the bonds.

The corporation would add another \$1,000 a year, making a total premium of \$4,000 on \$100,000 life insurance, which would be used to guarantee the bonds. This plan was acceptable to them and we put it over, and everybody in the organization was satisfied that it worked out that way.

Jack Lauer, Penn Mutual, Cincinnati: I have been able, in the last few months, to get a brighter spark of interest in business insurance than I have ever been able to get before in the practically 12 years of my experience. I feel, and I find, that business executives are more receptive to a talk on business insurance today than they have ever been before.

I have had, in the past few months, one case of \$300,000 and I have had a case of \$5,000. I have been trying to see just as many business houses as I possibly could to discuss insurance with them. I find they are interested. They know the value of it as far as death is concerned, and are particularly anxious to look at the values of the insurance while they are carrying it, while they are living. They have found times in their business careers when they really needed those values. I find it is a marvelous field right now, and I will say that I am devoting more time to it than at any time during my insurance career.

Changes Made in American College

(CONTINUED FROM PAGE 3)

L. Hill on "C. L. U.—a Decade Hence." Before making the conferment, Mr. Clark declared:

"Owing to the good will and cooperation extended by the National Association of Life Underwriters to the American College of Life Underwriters and the wide distribution geographically of our student body, we have again arranged the conferment of diplomas and the C. L. U. designation in conjunction with the program of the National association convention.

"This is the eighth conferment of the American College and marks another milestone in the onward and splendid progress which this institution has made since its inception.

Significance of C. L. U. Designation Is Cited

"The C. L. U. designation carries with it a significance and value of unusual character, ranking with the designations and degrees granted in other recognized professions, and the special certificate in agency management is awarded by the American College to those C. L. U.'s who have passed all examinations in the agency management course.

"Of the 143 candidates who completed their C. L. U. examinations in June, 116 are being awarded Chartered Life Underwriter diplomas at this conferment. Seven candidates are at present entitled to receive the certificate of proficiency, but may exchange their certificates for C. L. U. diplomas when

the experience requirement is complied with. Twenty C. L. U. candidates also lack the three years' experience and, therefore, will not receive their diplomas until they have complied with this requirement.

"The number of C. L. U. candidates entitled to receive the certificate in life insurance agency management at this conferment is 10.

"It is, however, with deep regret that because of our C. L. U. candidates being so widely distributed geographically, involving more than 60 cities and 32 states, many are unable to be present for this conferment. To those who are not with us, their diplomas will be forwarded by mail with an appropriate letter."

Dean Huebner Presents Candidates to Clark

Thereupon Dr. Huebner presented the candidates to Mr. Clark. Rather than presenting the diplomas individually, the class was requested to stand and the charge was administered by Mr. Clark. In commenting on the obligations which they were assuming he said in part:

"May I impress upon you the element of responsibility that this designation carries with it. Every Chartered Life Underwriter should conduct himself or herself at all times with honor and dignity, inflexibly avoiding practices that will bring dishonor or reproach on the life underwriting profession or the C. L. U. designation. You should at all times refrain from what might appear as commercializing or misusing the designation, or an attitude indicating a superiority complex. Give generously of your ability, not only to your clients and your company, but the improving of methods and conditions in life underwriting.

"In your future relationship with clients, I want to leave with you the following specific charge, which is the adaptation of the golden rule in life insurance:

"Have I, in the light of all the circumstances surrounding my client, which I have made every conscientious endeavor to ascertain and to understand, given him the service which I, had I been in the same circumstances, would have recommended to myself?"

American College Is Now Outstanding Institution

"The American College of Life Underwriters has become one of our outstanding institutions of higher learning, with 70 colleges and universities cooperating in the furtherance of its educational program. 904 candidates have passed all C. L. U. examination, involving 163 cities and towns, 39 states, the District of Columbia, China, and Cuba. They also represent 79 life insurance companies and the Teachers Annuity Insurance Association.

"Six hundred and eight candidates presented themselves this year for one or more of the five parts in which the C. L. U. examinations are divided, and 811 candidates now have credit for the successful completion of some of the five examinations."

BIG C. L. U. TURNOUT

More than 150 turned out Wednesday evening for the annual dinner of the National chapter of C. L. U. This event becomes increasingly important each year as the number of C. L. U.'s increase and as interest in the movement grows.

Lawrence Woods of the Edward A. Woods Co., of Pittsburgh, the retiring president of the national chapter, presided. In his opening remarks he cited the growth of the movement to the point where there are now 904 C. L. U.'s. He said the movement is to a large extent a reflection of the personality of E. J. Clark of Baltimore.

Mr. Woods announced the change in the setup of the American College whereby Mr. Clark retires as president to become chairman. He suggested a

rising tribute to Mr. Clark and the audience responded with spirit.

Mr. Woods then presented Paul E. Clark of Boston, the new president of the national chapter, who is a nephew of E. J. Clark. Mr. Clark reviewed the origins of the American College and the C. L. U. He said efforts should be exerted to increase the membership of the local C. L. U. chapters so as to cause the public to appreciate the distinction of the designation.

Those who hold the C. L. U. designation, he said, should undertake to disabuse the minds of general agents and home office executives of the idea that the securing of the designation means the demise of the agent as a producer. There is evidence to the contrary, Mr. Clark said. Less than six C. L. U.'s have left the business except because of death and disability.

Mr. Woods then called for a tribute to Dr. S. S. Huebner, new president of the American College, formerly dean. This was one of the few times in his career that Dr. Huebner has been seated at a head table without making a speech.

Mr. Woods announced that one of the

speakers of the evening, Ralph Heilman, dean of the school of commerce, Northwestern University, could not appear because he had been compelled to undergo an operation. George E. Lackey, general agent in Detroit for the Massachusetts Mutual, was introduced as the speaker of the evening.

Those at the head table included Dr. David McCahan, new dean of the American College; E. J. Clark, Dr. Huebner, A. D. Anderson, president Life Underwriters Association of Canada; W. M. Duff, vice-president American College; J. M. Holcombe, Jr., manager Sales Research Bureau, and R. B. Hull, manager National Association of Life Underwriters.

Some 35 Here Expecting to Be Awarded Designation

At the conclusion of Mr. Lackey's address, Mr. Woods asked for a show of hands of those who expected to receive the C. L. U. designation at the Thursday morning session. About 35 indicated they would be among the group. Special seats are being set aside for them.

MANY CONSTRUCTIVE IDEAS ARE PRESENTED

(CONTINUED FROM PAGE 3)

know my man; he knows me. I have a definite, specific reason for contacting him before I contact him. A great many times, of course, my ideas that I have laid out for that gentleman do not meet with his approval, but in about 75 percent of the cases, they do. I work a great deal on old policyholders. Perhaps 75 percent of my annual production comes from my old policyholders.

I have one case that has been rather inspiring to me that I have just completed, and it, in turn, has led to another case of a similar nature, only on a smaller basis. I think that the employers of labor today, the heads of concerns—successful concerns that are making money, and there are still some of them left—are interested in doing something for their employees. By that I mean their higher salaried employees. I don't mean group insurance. My company doesn't write group insurance, and I don't know anything about it, but I have just closed a case in Cleveland with a company there on an endowment at age 60 basis. There were 38 employees involved, and we divided these employees into three groups—those whose salaries were capable of handling \$10,000; (b) \$5,000; and (c) \$2,000.

Company Wanted to Do Something for Its Men

This friend of mine, who is the president of this company, discussed the matter with me in the spring. He said, "We would like to do something for our men in the way of a deferred bonus or retirement or what-not, rather than giving them the money from month to month or year to year, that would be there for them when the real need existed."

He continued: "You give a man \$100 or \$500 and he immediately buys an automobile, radio, or something with it, and in a few months it is gone, but we want something that will come to our men when they actually have the need."

So, to make a long story short, I devised an endowment at 60. Each man had to be examined. I put the plan before the president of this company, and he, in turn, put it before the president of his board of directors. They approved it 100 percent.

The plan was that the company would pay half of the premiums, and the employees the other half. After I had got the consent of the company, then, of course, I had to get the consent of each man. So I devised a letter which went out over the signature of the president of this company and every man agreed!

After this letter was sent out, I interviewed each man on my list, which had been provided, and showed him what it would mean to him, and each man was very, very enthusiastic. Some of them

said, "Why, I am carrying all the insurance I can possibly carry."

I said, "True that may be, but consider this as an investment, because with the setup you have here, with the company paying half the premium, at the end of the second year you have a profit on your investment, and you can't afford to turn that down."

In the agreement we provided a form that these men, as long as they were employees of the company, would not assign, borrow, or cash in their policies without the consent of the company. However, if they left the company for any reason whatsoever, the policies were to be turned over to them as their sole property without any strings attached to them. As I say, every man was enthused.

Followed Up with Sale to Canadian Subsidiary

Now you probably are thinking that out of 38 applicants I probably had quite a large number of rejections, and wondering what did I do with those fellows. Well, it is very surprising. I had only two rejections by my company. One of those men I succeeded in placing in another company, and the other, who was not insurable at all, I sold a retirement income bond which did not require an examination, so it was a 100 percent proposition from soup to nuts.

That gave me a lot of satisfaction, and from that point I thought, "Well, there must be a lot of other concerns that would be interested in this." I happen to know that this company had a Canadian company, of which they had 51 percent of the stock, so I went to that company, and its officers fell right into line with the same idea. It was a smaller outfit, comprising only 16, but it is being completed now. Unfortunately, I have to put it in a Canadian company, because we don't write business in Canada, but that doesn't make any difference.

Believes This Is Field Offering Big Opportunities

I just bring those two cases up because I think that there is a lot of work that can be done among successful concerns—perhaps not the great big concerns, but concerns employing maybe 400 or 500 people who have 25 or 30 top-notch men that are making anywhere from \$8,000 to \$10,000 or \$12,000 down, who will subscribe to a proposition of that kind. At least, I have four or five of them on tap at the present time, and every one that I have talked to has shown a very keen interest in the plan. The only thing, of course, is to find the concern that you positively know is making money. I think it is a field that we have, perhaps, neglected, and I be-

lieve there is a lot that can be done along those lines.

LOUIS BEHR: My subject is, "My Prospecting System." In a sense it is not a prospecting system but a method of determining with ease how successful one is in his prospecting by means of the center of influence or the chain methods. There is absolutely nothing new or original in my prospecting system. It is merely a bringing together of many simple things in a simple manner.

In my first four years in the life insurance business, I often wondered how it was possible to pay for \$100,000 of life insurance per month and do it with peace of mind, without the constant worry and the indefiniteness and perplexity confronting me, or being faced with the question each month, "I wonder if I will pay for that \$100,000 this month? I wonder if I had better press Mr. Jones now instead of waiting?"

I analyzed my four years of prospecting and discovered that it was impossible for me to discover in a minute what was wrong during my non-productive periods. I reduced the amount of worrying that I did about my business by laying down the following rules for myself: First, to save some money so that my immediate livelihood would not be dependent upon any one case, and, second, not to count a case until it was paid for.

Evolves Simple Plan for Tabulation of Prospects

As a result of my analysis of my prospecting for four years, I evolved a simple tabulation of prospects. Before I used this system I worried along for a long time about what was wrong. Now, if I worry about what is wrong, this sheet tells me what I am worrying about, and then I worry about what I am going to do about it.

At the top I provided a space for the quota and at the bottom I have provided space for the number of calls and interviews I have made. I attempt to put 75 names in the general list. These are names of people that I have heard of or read of, that are prospects for someone.

I also try to have 40 new names in the general list each month, carrying over the balance from the preceding month. I then select the easiest prospects for me to contact, by means of center of influence, personal acquaintance, or chain methods, and I transfer their names from the general list to the selected list.

I immediately contact the selected list. My attempt is always to have at least 50 names—not less than 40—in the selected list, 25 of whom are new for the current month.

Names Are Transferred When Contact Is Made

As I contact the names on the selected list, where a prospect is definitely not interested in my service I eliminate him, and where he does manifest an interest and until I definitely place him with a policy I put him on the contacted list. I have discovered in my experience that I must have at least 25 names in my contacted list, 12 of whom are new during the current month. Therefore, if I have 12 who are new, I must have 40 or 50 in the selected list, of whom 25 are new, and in order to have that I must have had 60 to 75 names on the general list, 40 of whom are new.

As I interest any of these names in the contacted list in policies of one type or another I transfer them to the in transit column. Those that are definitely not interested, after an interview or two, I eliminate. I find, from experience, that it is necessary for me to have two and one-half to three times the amount of business in transit that I expect to pay for during the month, half of which is new business during the current month. This is due to dissatisfied prospects, declinations, and optional business ordered out. As the policies come in from the home office to deliver I place

them in the "To deliver" column, and immediately try to pay for them, and I deliver them, and they are paid for, they are placed in the "Paid for" column.

I make out my daily program one day ahead of the plan for the day by using the monthly work sheet, as follows: I look at my paid-for column. If it is below my quota it inspires me to work harder. Then I look at the "To deliver" column. If there is a name there, I immediately attempt to deliver. Then I look at the "In transit" column. I inquire of the agency secretary if a certain policy on Mr. X has arrived, and, if it has, I transfer it to the "To deliver" column, and that is my first order of business the next day.

If I have exhausted the "In transit" column I look at the contacted list. If I have exhausted that column, I proceed to contact the selected list. If I

have exhausted that, I proceed to select the better prospects to contact them for some policy, and if I have exhausted the general list I proceed to go back into the life insurance business.

If I haven't reached my quota, it is possible for me to discover in a minute the weak spot in my prospecting system. It is possible to have a number of names in the columns, but the proportion of new names might not be there. That may be the answer. On the other hand, it is possible to have half the number of names required pay twice the amount of business. That may be due to some break in good luck, but on the average, if these ratios are maintained, with a workable approach it will work as it has worked for me.

This prospecting sheet has enabled me to substitute work for worry, and it has been a constant indicator to me of my progress day by day.

tion were late in arriving at the garden party, because the luncheon for supervisors was held at noon, with Ray H. Collins of the Security Mutual Life of

Binghamton as chairman. The speakers were Thomas A. Manning, Milwaukee lawyer, and W. L. Gottschall of the Equitable Life of New York in Chicago.

Wealth of Ideas in Short Session

(CONTINUED FROM PAGE 3)

At the opening the session President Anderson had to double as an electrician to get the spotlight on the platform working properly. The session was a little late in getting started and was launched at once into the regular program without any preliminaries. In introducing John Nelson of Montreal, the first speaker, Chairman Riehle referred to his distinguished service as president of Rotary International. Mr. Nelson in his opening remarks got in a few sly digs at the "New Deal," including a reference to not raising hogs as one of the profitable industries in this country. Dr. C. E. Albright, premier of the Northwestern Mutual and a resident of the convention city, was selected to give the echo from the Million Dollar Round Table at that session.

Straight Talk on Present Situation Given

A most unusual address, which had been most carefully and skillfully prepared, was presented by John Nelson, supervisor of public relations of the Sun Life. He presented a conception of the validity and enduring qualities of life insurance, woven into a rich historical background. He went back to Edmund Halley in the 17th century and recalled his discovery of the law of the comet, to which his name has been attached. Because he found that the course of the comet was predictable, its appearance no longer terrorized the world. Halley also produced a comprehensive mortality table, thus establishing a system that not only delivered many from the fantastic fear of occasional visitations, but the whole human family of one of the chief terrors of death.

Straight talk on the present situation was given by William A. Stark, vice-president and trust officer of the Fifth-Third Union Trust Company of Cincinnati. He said the race for competitive policies has led the companies from the fine content of insurance and more and more into the banking business. He believed that the best future of life insurance lay in the return to protection principles. Mr. Stark said that the question of the liquidity of life insurance contracts would have to be settled. The liquidity has cost the life companies plenty of money. Laws, apparently the moratorium rulings, prevented the companies from living up to their promises. Serious consequences were avoided but a spotless record was stained and a glimpse of what might have happened was granted. "Low net cost life insurance and life insurance which is a highly liquid asset cannot over a period of years be sold by the same companies," declared Mr. Stark.

Harry T. Wright, associate agency manager Equitable of New York in Chicago, "millionaire" for many years and a consistent large producer for over 25 years, told in the sales clinic how he did it. Mr. Wright finds a quota challenges him to steady production,

day by day and week by week. Keeping records and statistics on his business is another factor. Mr. Wright gave many practical suggestions.

Alfred J. Johannsen of Chicago presented a number of useful ideas in his address "How I Plan the Sale." Mr. Johannsen is connected with the Hobart & Oates general agency for the Northwestern Mutual Life. He is head of the C. L. U. chapter in Chicago. His conclusion was that the agent should think the case through beforehand, weigh the prospect's problem and the solution, feel the pressure of the prospect's need and then with contagious enthusiasm should make himself feel the great service he is offering.

I. B. Jacobs of the Mutual Life at Chicago told how he presents his sales. He gave a number of brief examples of change of close. Summing up he said that certain fundamentals of salesmanship and definite principles must be followed and that a successful presentation must be built around the prospect's needs.

Some of those attending the conven-

Canada Life Assets

The Canada Life has on deposit in the United States, for the benefit of its United States policyholders, deposits in excess of the reserves required to cover all liabilities, invested in well selected and widely diversified securities as follows:

Diversification - United States Assets

Cash, Government, Government Guaranteed and Municipal Bonds	29.85
Electric Light & Power Companies' Bonds.....	27.08
Telephone Companies' Bonds.....	5.22
Other Utility Companies' (Gas & Water) Bonds.....	.89
Railway Bonds	1.99
Other Corporation Bonds.....	1.43
Preferred Stocks	8.41
Real Estate20
Loans on Real Estate.....	9.62
Loans to Policyholders.....	15.31

As at Dec. 31, 1933

100.0%

Canada Life Assurance Company

Established 1847

45 Years in the United States

Company's Total Assets over \$226,000,000

FACTS THAT SPEAK

THE COMPANY

THE INDIANAPOLIS LIFE INSURANCE COMPANY WAS ORGANIZED IN 1905 as an OLD LINE LEGAL RESERVE MUTUAL COMPANY. Savings and profits belong to Policyholders. Our motto is HOW WELL may we serve, rather than HOW MANY, and always SAFETY FIRST.

ITS MANAGEMENT

The management of the Company has always received the highest commendation of Policyholders, insurance officials and the public generally. Its officers are all men of long and seasoned experience.

SPLENDID RECORD

The average mortality of the Indianapolis Life, since organization, has been only 41.6% of the expected. Prudent economy, an adequate but inexpensive Home Office, modest salaries and conservative management throughout have resulted in low expenses.

The assets of the Indianapolis Life have INCREASED EVERY YEAR. During the depression years, 1930 to 1934, assets increased 27.1%. During this same period, the Company paid \$6,422,810.59 to Policyholders and beneficiaries.

STRONG FINANCIAL POSITION

Current income has constantly been more than sufficient to meet all obligations, leaving a margin for new investments. The Company has been investing in Government and other highest grade bonds for liquid purposes and making first mortgage loans on real estate for permanent investments. The Company's cash reserves and liquid assets are larger today than ever before.

CONTINUED PROGRESS

Summary from Mid-year Financial Statement
PAID BUSINESS 34.8% ahead of first six months of 1933.
INCREASE IN INSURANCE IN FORCE, bringing total up to \$94,568,490.00.
INCREASE IN ASSETS of \$409,652.64, making total assets \$15,673,948.14.
GOVERNMENT BONDS and CASH ON HAND INCREASED 33.8% since January 1st.
SURPLUS INCREASED 9%.
MORTALITY CONTINUES LOW.
AN INCREASE in number of new men and in total number of men writing business.

Policies for Any Member of the Family

The Indianapolis Life is equipped to provide for all the needs of any member of the family, whether it is for a Child's Endowment, a Family Protection Plan, a Retirement Income, a Business Insurance plan, or an Annuity.

INDIANAPOLIS LIFE INSURANCE COMPANY

INDIANAPOLIS, INDIANA

Agency opportunities in Indiana, Illinois, Ohio, Michigan, Minnesota, Texas, Iowa, California, North Carolina and Florida.

Edward B. Raub, President

James R. Mayfield, Agency Manager

Possibilities Under Life Income Form Are Shown

(CONTINUED FROM PAGE 4)

settlement where we can distribute the proceeds over a certain period of years and we have the plan where the proceeds can be held intact and interest paid to the beneficiaries for life.

I usually make a very simple illustration to a prospect, based on the idea of leaving the proceeds of life insurance at interest, and I usually make it in this way: I will say, "No doubt you would like to provide an income for your family," or I ask him if he would like to provide an income for his family. Then I say, "Do you know how much life insurance you have to provide to provide the income you would like to have your family have?"

Before there is any discussion about the amount of life insurance, we discuss interest rates a little bit. I get the admission from the man that 3 percent interest guaranteed over the period his family might need the income, pointing out we might have other depressions and may have a further declining interest rate, is a good return; that 3 percent is all he could reasonably expect, and I could say the life insurance companies pay 3 percent on the proceeds.

"If you had \$100,000 of life insurance and left it with the insurance company at 3 percent interest, your wife and children would have \$3,000 a year, wouldn't they? That is \$250 a month, isn't it?" Usually that statement is made to a man who is not capable of carrying \$100,000 of life insurance at the present time. Maybe he has carried \$100,000 of life insurance and has had to let go of some, but he realizes then there is \$100,000 of life insurance and \$250 a month.

New Way Devised for Taking Care of Families

"I want to point out that through this depression the insurance companies have learned that they had to find a new way. They have been absolutely forced to devise a means whereby men could provide for their families a decent sort of income without carrying so much life insurance, and they have devised a plan not by choice but because of necessity, where you, Mr. Prospect, could through carrying \$25,000 of life insurance, instead of \$100,000, provide the same \$250 a month income to your wife until your children are raised, grown and educated and are self-supporting, and in so doing you would not encroach upon the principal. It would pay the principal later, so the wife would have that to provide an annuity income."

I find the average fellow to whom that is said thinks in terms of the cost of insurance he has or has had and becomes tremendously interested and starts asking me questions.

This thing has worked to the extent of about \$800,000 of family income insurance in a year and a half.

Bases Presentation on Age of the Children

I do not attempt to discuss any particular term of years, because the point is not the years; the point is his children. I ask a man, "How old is your youngest child?" If he says the youngest child is 9 years old, I say, "How long would you want to provide an income for that child? Would you like to see the child brought up to age 24, for instance?" He says, "Yes." That is the 15-year plan. I do not have to tell him it is 15 years.

I can say to him that this plan will absolutely bring that child up to age 24. It is a guaranteed proposition and there is no question about it. The insurance company will put the date in the contract when they will stop paying that income and will deliver the principal. They will do it for \$25,000

of life insurance instead of \$100,000.

Here is another difference that I always point out: First, I make it perfectly clear to the man that on the basis of \$100,000 there will be \$100,000 left. On the basis of \$25,000, he will have \$25,000 left, but if there are two or three children, I like to say, "This money for carrying a larger amount will be left for your children at the death of your wife, would it not? We do not know when that will be, but it is fair to assume it will probably be when the children are 40 or 50 years of age."

"Now your income is now sufficient and you are desirous of providing an income to them and leave a lump sum to them at 40 or 50 years of age, or is it your desire to have more money to spend on them in case you live, or to provide more income for them during the time they are children and are going to need it?"

"For your information, \$100,000 of ordinary life at age 35 costs about \$2,200 a year, and \$25,000 family income, same age, costs about \$700. That is a difference of \$1,500." I frequently make that illustration to the prospect and say, "Mr. Prospect, \$1,500 is \$125 a month, which you will have to spend on your children in case you live," and they certainly do like to hear the "in case you live." * * *

R. U. DARBY, Massachusetts Mutual, Baltimore: I should like to ask Mr. Little whether or not his business came from cold canvass, his old prospects or some particular point of contact.

MR. LITTLE: I do not know anything at all about cold canvass. I am scared to death to go to see a man I do not know. I get acquainted with as many as possible through various clubs and by making various connections.

In answer to your question, I guess about half are on old policyholders and half on other men I have been introduced to. However, I would like to say that a considerable amount of business has been brought to me. It has been more or less dumped in my lap by men for whom I have written family income insurance before. They call in and say, "I want you to see so and so and show the same thing to him."

Illustration Shows How Business Has Been Secured

I will give you a little illustration along that line. Last year at the world fair in Chicago I had an opportunity to go over the policies of a friend of mine, a policyholder, and he was sure he could not buy any more life insurance. We worked out the policies he had under optional modes of settlement and then I inserted the family income, adding \$100 additional, which brought the income up to an amount which really was sufficient to provide for the wife and children. He could see the family income policy did so much more than the others in proportion that he said he guessed he had to have it. He said, "Give me until tomorrow and I will see if I can arrange to pay for it." He worked out a plan to pay for it and incidentally on the tomorrow I stayed over for, he called in his assistant, who is now located in Milwaukee, told his assistant as best he could about this plan, and said, "You let Little explain this to you."

I explained it to the assistant, who was a young chap of about 24 who had just recently married and they had a brand new baby. This fellow said, "I didn't know I could buy enough life insurance to give my wife an income. I was examined for some life insurance three or four months ago. A fellow tried to high-pressure me into it and after I got it I didn't like it and I

didn't take it. Let me talk to my wife about this."

He went home and talked to his wife and I stayed over another day and the next day he said, "We think that is just wonderful. I want to take \$10,000 of it."

That is a true story and that is the way the family income thing has gone. I could tell you of larger cases that came on the same basis, one on \$40,000 and another on \$25,000 and another on \$40,000, where I was called up by people for whom I have written family income insurance before.

* * *

CHAIRMAN SCOTT: You probably have all noticed in Mr. Little's presentation he stressed the fact that the companies were compelled to devise a new plan. It is said that St. Paul, when he saw the Athenians, said they were after something new all the time. That has never left human nature. New plans and new ideas very often sell insurance and he apparently stressed the idea that here is something special and new, adapted particularly to present conditions and the man who wants all the protection of income for his family that he can get.

New Plan Offered for Protecting Smaller Incomes

EARL G. MANNING, John Hancock, Boston: This is not regarding the family income plan, but I have been conscious for a long time if a certain number of underwriters were given the same facts regarding the same prospect, it is amazing what a difference in actual proposals that have been suggested.

Grant that sentiment is the big factor which gets a man to protect his family, I think one thing we have been lax in is squaring it with the economics of what it costs to live. All of you people know what the census returns show on average incomes, and we do know that about 80 percent earn less than \$5,000 in the United States.

Some time ago the vice-president of my company asked me if I had any suggestions as to how the weekly premium department of our company and how the agents could be stimulated to write larger policies. I said, "Yes, I think I have that plan, providing you are willing to have them talk about what it will do rather than what it is doing." He said that interested him.

Table Worked Out on Amounts That Can Be Provided

So I have gone ahead, and having done a good deal of budgeting, as you people know, I took the facts that I had over some 15 years of collecting budgets from men who actually spent the money and gave me the results, and I worked out a table, which will merely give them a selling idea of trying to have the weekly premium men of our company submit on incomes.

On incomes from \$25 to \$35 a week, we are going to try to get the families on that rate to protect their dependents for at least \$50 a month for ten years. Now that is not enough income to give them everything that they need, but it will give them clothes and shelter. About all the insurance that will produce that income that that man can buy is about \$6,000, and an extra \$1,000 for burying him and putting him in the ground and paying the debts and about \$500 for the backlog to carry the woman over the first year, so she knows at the end of the first year that she has to supplement the \$50 a month with something else.

Ranging from \$40 to \$60 a week, that has been stepped up to \$75 a month for a maximum of about 20 years, and from the range of \$65 to \$100, to \$100 a month, leaving the principal intact. It ranges above that to provide incomes of enough per month to just about equal the weekly earnings, so that if the man earns \$125 a week the minimum will be to provide \$125 a month for life.

In connection with that, we have

listed for our men the desirable policies and it is rather amazing to see what a small range there is on the smaller incomes; that is, about all you can suggest is 25 or 30-pay life and long term endowments. When you get up into the next higher class you can begin with the annuities and the more expensive forms.

Take Mr. Little's case here. If he said to a fellow, "You probably can't pay for enough insurance to provide more than \$75 a month," now if he takes the family income rider on top for a small sum, he can carry it long enough to keep the woman in the home long enough to see every one of the children out of high school.

Worthwhile Ideas Presented In Million Dollar Gathering

The man who wrote Bing Crosby's twins for a large amount told of his methods in the Million Dollar Round Table.

VICTOR F. PETTRIC, Los Angeles: I went to California a total stranger in April, without knowing anyone, and wrote 21 cases for \$405,000. I wrote 12 different plans of insurance in the last 30 days for \$219,000 without ever seeing the persons before I met them then.

I do not have any reason for believing a man is going to be a success at 65. I have looked into the faces of men who have been prominent, who had great wealth at one time, who died as paupers. So, to my way of thinking, every man is destined to become a bum at 65. I will be wrong only seven times out of 100, and I can't afford to bother with that. I do not care what a man has today. I have studied life insurance so much that I know men will not end up as they start out to achieve certain points.

Since going out to California, I wrote Bing Crosby's twins, who were born Friday, July 13. They were in an incubator when I wrote them. I wrote the 13-month-old baby for insurance, also. He is paying a little over \$7,000 premiums.

Presents Novel Argument

I heard an expression the other day that may be of interest to you. A man made the remark that most people are living on their wife's income. In other words, each of us has a future trust fund value, so to speak, and the incomes we are drawing these days are the incomes that belong to the wives. It is the trust fund we owe to our family based on our potential earnings. I used that a couple of times and found a favorable reaction to it, asking a man, "Are you living on your wife's income?"

M. J. DONNELLY: What was the policy placed on the Bing Crosby babies—what type?

MR. PETTRIC: An endowment for \$4,000 for each child. I regard it as a minimum for educational purposes. It was written as an annual premium but he converted it into a single premium.

QUESTION: Were you introduced?

MR. PETTRIC: Yes, I have an associate out there, Ernest Smith, the all-American tackle of Southern California, who knew Bing and took me to him.

Women Entertained Wednesday

Eight large city busses were chartered to take more than 200 women guests to the Tripoli country club, twelve miles out from Milwaukee, to the luncheon and bridge party given by the Milwaukee Association of Life Underwriters Wednesday. Miss Flora Dingwall, chairman of the entertainment committee, was assisted in receiving the guests upon their arrival at the club by Mrs. M. J. Cleary, Mrs. Henry B. Kay, Mrs. Arthur J. Butzen, Mrs. M. G. Biehn, Mrs. Abner A. Heald, Mrs. Kenneth W. Jacobs, Miss Elizabeth Kerrigan, Mrs. Alvin Moser, Mrs. M. L. Thierman, Mrs. Richard Boissard, Mrs. Hibbard S. Greene, and Mrs. Gifford T. Vermillion.